National Council of Applied Economic Research

SURVEY of INDIA'S EXPORT POTENTIAL within THE INDIAN OCEAN BASIN & NEARBY AREAS

March 1970

KUWAIT

FOR LIMITED
DISTRIBUTION ONLY

SURVEY
of
INDIA'S EXPORT POTENTIAL
to
Twenty-six Selected Countries
in
THE INDIAN OCEAN BASIN
And Nearby Areas

prepared under the sponsorship of
THE EXPORT PROMOTION DIVISION
U.S. Agency for International Development, New Delhi
for
THE MINISTRY OF FOREIGN TRADE
Government of India

NATIONAL COUNCIL OF APPLIED ECONOMIC RESEARCH
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REGIONAL TRADE STUDY

SURVEY OF INDIA'S EXPORT PROSPECTS

IN

KUWAIT

National Council of Applied Economic Research

New Delhi

March 1970

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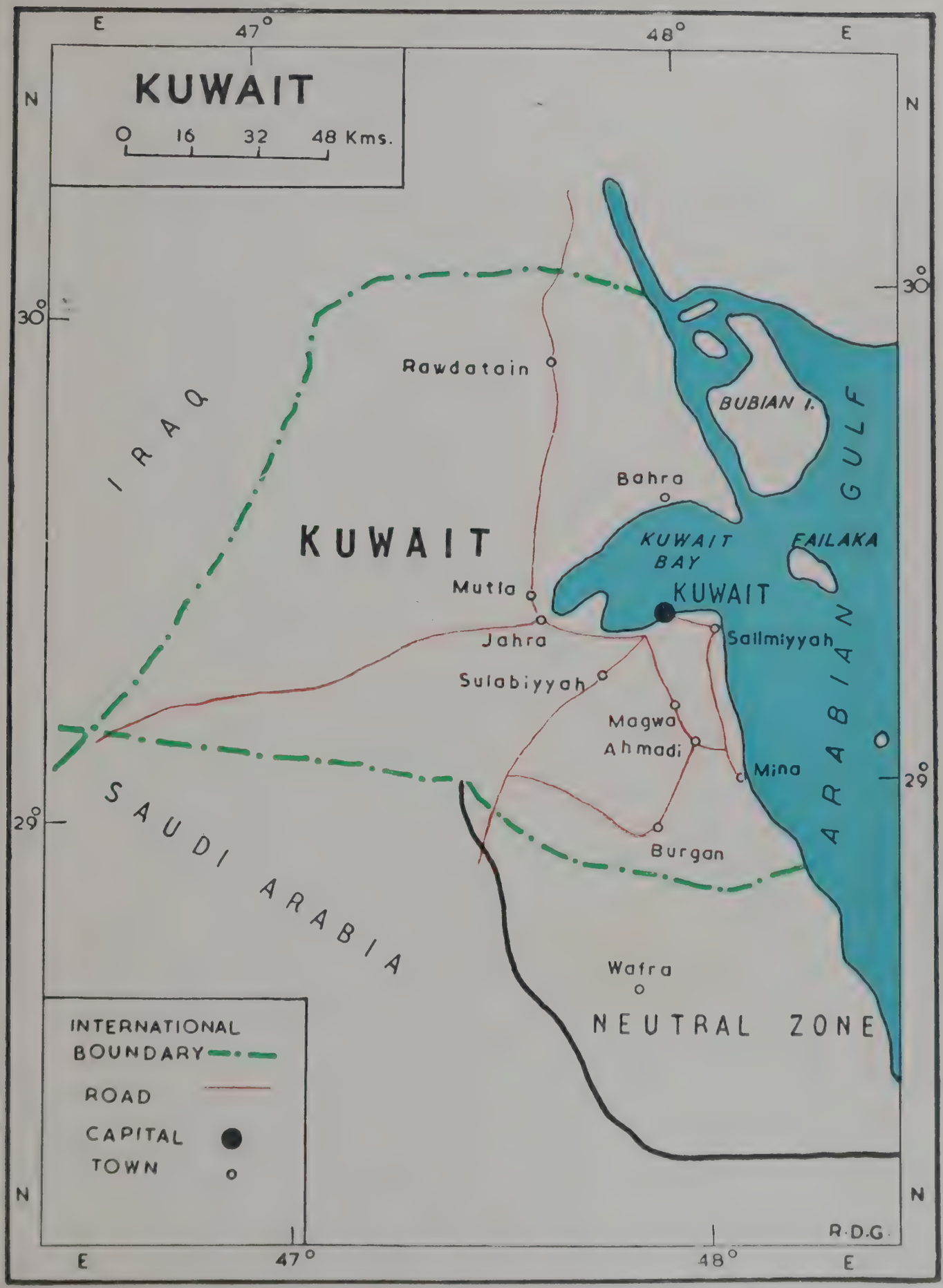
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R.D.G.

PREFACE

In 1968, the National Council was requested to undertake a study of the export prospects for India in 26 selected countries in the Indian Ocean Basin and nearby areas. The study was to form part of a series of 'Export Potential Surveys' which are being performed by independent Indian research organizations for the Ministry of Foreign Trade. The series of studies is sponsored by the U.S. AID Mission to India Export Promotion Division.

The countries covered by this study are: Kenya, Uganda, Tanzania, Zambia, Ethiopia, Malagasy Republic, Libya, Iran, Iraq, Saudi Arabia, Kuwait, Muscat and Oman, Abu Dhabi, Dubai, Ceylon, Burma, Singapore, Malaysia, Indonesia, Thailand, Philippines, Hong Kong, Republic of Korea, Japan, Australia and New Zealand. This report on Kuwait is one of the series.

The main objective of the study was to assess the export prospects of India in the selected countries over the five year period (1969-74). We have studied the existing pattern and past trends of Indian exports to each country, assessed the trade prospects of India in

each country and suggested measures for realising the export prospects. The term 'export' has been used in the wider sense not only to include commodities but also services such as joint ventures and engineering or construction contracts.

Apart from the individual country reports, an overall report covering our general findings with respect to the entire region of 26 countries has also been prepared and submitted and is being published separately. It may be added that the data given in this report and findings based on this data relate to the period of the field visit of our team which took place in May 1969. It is possible that certain changes might have taken place since the visit of our team. This has to be kept in mind by the readers.

In this country study we have had full cooperation from various agencies in India as well as in Kuwait. My special thanks are due to the Ministry of Foreign Trade, Government of India, the Indian Embassy in Kuwait, and the Government of Kuwait and a large number of businessmen and other people whom our team contacted during the field visits.

In the preparation of this report, I had full cooperation from my staff members who were directly responsible for conducting the entire study covering all the countries including the present one. Their names are given in Appendix 1. My special thanks are due to Shri R.S.Sharma, Project Director and Dr. T.Rameswara Rao and Shri S.R.Chawla members of team for this country. I hope the report will be found useful by all those engaged in the export effort.

New Delhi
December 1969

S. Bhoothalingam
Director-General

N O T E S

1. The dollar ($) referred to in this report is the U.S. dollar.

2. Reference to the present in the report is as of May 1969 the time of the team's visit to this country. The data given and assessments made are also as obtainable then.

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SELECTED ECONOMIC INDICATORS

	Item	Unit	1961	1965	1966	1967
1.	Population	000'	322	467	491	516
2.	Annual growth rate of population (1961 to 67)	Per cent	---------- 8.2 ----------			
3.	Gross National Product	Million $	NA	1,582	1,700	1,719
4.	Per capita GNP	$	NA	3,248	3,223	3,293
5.	Growth rate of GNP (1962-63 to 1967-68)	Per Cent	---------6.0----------			
6.	Index of industrial production (oil)	1961=100	100	136	143	144
7.	Foreign Trade	Million $				
	i) Exports	"	743	1,243	1,304	1,307
	ii) Imports	"	249	377	463	593
	iii) Balance of Trade	"	+ 694	+ 866	+ 841	+ 714
8.	Gold and foreign exchange reserves (excluding IMF)	Million$	NA	112	152	172
9.	Trade with India:					
	i) Exports to India (non-oil)	"	NA	0.5	0.8	0.9

Selected Economic Indicators (Contd...2)

Item	Unit	1961	1965	1966	1967
9. Trade with India:					
ii) Imports from India	Million$	NA	11.1	12.5	18.8
iii) Balance of trade with India	"	NA	-10.6	-11.7	-17.9
iv) India's share in total non-oil exports	Percent	NA	1.25	2.09	2.46
v) India's share in total imports	"	NA	2.94	2.70	3.17
10. IMF par value	Unit of national currency per $	1 Kuwaiti Dinar = $ 2.80 1 $ = 0.357 KD			

Area: 16,000 square kilometres
Capital: Kuwait City

National
Currency: Kuwaiti Dinar (KD).

SUMMARY AND RECOMMENDATIONS

Kuwait lies in the north west extreme of the Persian Gulf (Arabian Gulf) with an area of 16,000 sq.km. There is also the Neutral Zone comprising 5700 sq.km. jointly administered by Kuwait and Saudi Arabia. Kuwait has frontiers with Iraq, Iran, Saudi Arabia and Trucial States. A large portion of the area is desert and climate is hot and humid. Population in 1968 was estimated at 526,000, of which more than half were of non-Kuwait origin. It is estimated that population by 1974 would be around 635,000.

All economic and social activities in Kuwait are dependent on revenues obtained from oil. There is an acute shortage of skilled manpower since Kuwaitis have shifted their occupations from fishing, pearling, handicrafts and boat building to commerce and government service. For skilled manpower it depends on foreign nationals. Due to high per capita income, the Kuwaitis do not work as unskilled labour. Unskilled labour is derived from the neighbouring countries especially from Iran and Iraq.

Due to its geographical location in barren desert, agricultural base is negligible and the economy is entirely dependent for its food on imports. Non-oil industrial base is also meagre which necessitates import of practically all consumer and capital goods.

Gross National Product of Kuwait during the period 1962-63 to 1967-68 grew at a rate of 6 per cent per annum. Per capita income during 1967-68 was one of the highest in the world at $ 3,209. Mining and quarrying activity during 1967-68 accounted for 61.5 per cent of the national product, followed by wholesale and retail trade accounting for 8.1 per cent, construction for 4.8 per cent, housing for 4.8 per cent, industry for 3.5 per cent and transport and communication for 2.8 per cent.

Disposition of Gross Domestic Product during 1967-68 reveals excess of exports over imports resulting in a sizable surplus balance of payments net inflow of funds.

The economy is vulnerable to changes in the price of oil in the world markets and hence Kuwait is interested in diversifying its activities. Due to non-availability of raw materials for industrial production and other constraints like labour shortage and limited market, funds are invested abroad. In pursuance of this policy, the Amiri decree in 1965 set up "Kuwait Foreign Trading Contracting and Investment Company" (KFTCIC) in the private sector. KFTCIC has an authorised capital of $ 56 million, of which 5 per cent is presently paid up.

It has as its primary objective participation in expansion of existing and setting up new enterprises throughout world.

Exports increased at 4.5 per cent per annum from $ 958 million in 1960 to $ 1,307 million in 1967. Imports increased at 13.7 per cent per annum from $ 242 million to $ 593 million. Minimum trade surplus between the period 1960 to 1967 was $ 694 million in 1961. In 1967, trade surplus amounted to $ 714 million.

Imports in 1967 for machinery and transport equipment with 38.7 per cent was the biggest item of total imports followed by manufactured goods articles group (23.0 per cent), and food and live animals (13.7 per cent). Between 1965 and 1967, while imports of all commodities increased, the most striking increase was in the category of machinery and transport equipment. Main sources of imports in 1967 were the U.S.A., Japan, the U.K., and West Germany. These countries accounted for 56 per cent of total imports. India's share was 3.2 per cent.

The only indigenous products other than oil which enter export trade are ammonium sulphate, urea, shrimps, asbestos pipes, spiral welded steel pipes and potagas (LPG).

importers/wholesalers undertake distribution to either retailers or directly to consumers through their own stores. Commission agents also play a vital role, especially in respect of construction materials, imported by the end-users (construction firms).

Many firms from the U.K., the U.S.A. and Japan have appointed sole agents. Sole agencies also undertake publicity campaigns. Agents tend to insist on sole agency as a condition for representing foreign firms. According to law, non-Kuwaitis cannot become sole-agents and cannot circumvent it by appointing a Kuwaiti merchant as a sub-agent. So far, Indian exporters have not appointed sole-agencies and depend on importers exclusively. As a result, propaganda and publicity for Indian goods is not adequate. It will definitely pay if Indian exporters appoint sole-agents rather than relying on their export offices (if any) set up in Beirut.

Due to competitive nature of the market, many Indian exporters compete among themselves by price-cutting. Sometimes, quality is reduced whereas prices are maintained. These factors affect adversity stability of India's export trade to the market. Importers hesitate to place a bulk

order with the hope that some other Indian exporter may offer a better deal. Such practices must be avoided.

Traditional imports from India are spices, tea, cotton textiles, fresh fruits and vegetables, and rice. Under spices, the bulk of demand for cardamoms is met by India. In tea, Ceylon is a big competitor and Ceylonese prices are comparatively lower than Indian. A vigorous campaign to popularise Indian tea is essential. The quality of Indian tea, it was gathered, is superior to Ceylonese tea; still India is losing ground. Similar is the case for cotton textiles. India is facing competition from a number of countries. To improve performance, essential factors to consider are setting up sole-agencies undertaking publicity and supplying good according to specifications.

In non-traditional items, India is lagging much behind. Apart from iron and steel products, Indian manufactures are rare in this market. India will have to face competition with the established exporters such as the U.S.A., the U.K., Japan and West Germany goods of which are high-valued on the one hand and low priced goods from communist countries now entering the market on the other. It will pay, if Indian exporters avoid harmful

competition among themselves and also if the Indian Government help them through setting up a joint demonstration centre or a show room in this market.

After-sales service is essential. Kuwaitis are unskilled and when there is a minor breakdown, the entire blame is put on the commodity. If after-sales service facilities are provided, it will improve goodwill. Some of European countries and Japan send their engineers to Kuwait. These engineers stay in Kuwait and study marketing problems as well as provide technical assistance free of charge.

General complaints made about Indian goods to the visiting team were that:

(a) Goods are not supplied according to samples and as a result business relations are spoiled.

(b) Packing of goods is very poor and as a consequence they are damaged in transit, and considerable effort has to be made to recover losses.

(c) Packing is not attractive.

(d) Indian exporters do not supply goods in one lot as ordered, but instead part-shipments are common. This practice is resented very much.

(e) Indian manufacturers are not interested in supplying small quantities but prefer large orders. In this small market, importers feel, it is not possible.

(f) There is a considerable delay in getting shipments although in distance India is close to Kuwait.

(g) Indian exporters so often send representatives who are not conversant with Arabic language and thus are not in a position to study the market properly to facilitate market research. Such representatives entirely depend on one or two importers for information.

Adequate steps must be taken by Indian exporters to avoid such complaints. They should not forget that Kuwait also re-exports a part of its imports to neighbouring countries. It will definitely pay if sole-agencies are set up as they can also effect sales to neighbouring countries. Adequate facilities and guidance should be provided by Indian exporters in publicity and product knowledge in case of non-traditional items.

The advantage of nearness is lost if adequate shipping facilities do not exist. It appears there are on an average 8 sailings per month from India to Gulf ports. B.I. Lines operate passenger vessels every week between India and Kuwait. B.I. Lines also carry 200 to 250 tonnes of cargo per sailing for Gulf ports. Other services are not regular. Time schedules are also not made available in advance and it puts Indian exporters to inconvenience since they do not know when to send goods at the docks. It was further brought to the notice of

the team that B.I. Lines prefer high priced cargo and bulk cargo is not accepted in full resulting in part-shipments. It is, therefore, suggested that at least there should be two regular passenger-cum-cargo sailings per week from India to Kuwait. The Government of India must see that principles of public utility are adhered to in the sense that there should be no discrimination amongst commodities or customers. 'First come first served' rule must be applied. Moreover, since there will be passenger-cum-cargo sailings every week, these will run according to time schedule.

Publicity in Kuwaiti is very important. The consumer must be well-informed about products. Some importers in Kuwait undertake publicity on behalf of exporters. The normal charge for undertaking publicity, it was informed, was between 3 to 4 per cent of the c. & f. value. It is suggested that adequate foreign exchange must be made available so that exporters can undertake publicity in the market. As an alternative, gifts can be distributed to consumers. These gifts can be produced in India and exported to Kuwait, resulting in a saving of foreign exchange. Film reels can also be produced and can be exhibited in local cinema houses. This will also save foreign exchange component.

Recommendations

A. Commodities

Following are important commodities in which India can increase its exports to Kuwait.

i. Iron and steel products;
ii. Spices - cardamom;
iii. Tea;
iv. Cotton textiles;
v. Electric fans;
vi. Insulated cables and wires;
vii. Cement;
viii. Auto spare parts;
ix. Rice and
x. Fresh fruits and fresh vegetables including juices.

Steps should be taken to improve India's performance in these commodities.

Rice

In regard to exports of rice, the State Trading Corporation of India (STC) should improve its business relations with importers (and should not act as a monopoly concern or Government department). Prices do not correspond with quality of rice. The prices should be matched with quality and conditions of supply.

Tea

The main competitor in medium grade tea is Ceylon. Sales drive and practices followed by Ceylonese exporters should be carefully watched by Indian exporters. Indian medium grade tea should be supplied loose in wooden packings of 2 kilograms and multiples up to 8 kilograms. Big tea chests (plywood) are not popular. As the market is brand conscious, a few brands of Indian tea should be popularised.

Cardamoms

India holds a virtual monopoly in cardamoms. Quality and price should be maintained. Cardamoms, being high-value commodity, are carried by Indians visiting Kuwait illegally. This depresses prices in Kuwait. The Government should impose restrictions on carrying of cardamoms by Indians visiting Kuwait.

Indian exporters should pack cardamoms in polythene bags of different sizes with attractive markings in Arabic.

The Cardamom Board in India must closely watch changes in consumption habit in Kuwait. It would be worthwhile to export "instant cardamom-coffee powder", having right proportions of coffee and cardamom to suit

Kuwait taste. This will not only increase exports of cardamom but also of coffee powder.

Packing of 'other spices and seasonings' should be made attractive.

Fans

Pedastal fans are likely to become popular in Kuwait. Indian exporters can explore this market. Moreover, repair and servicing facilities are not adequate. The Indian image will be improved if a combined 'repair and servicing' shop could be established jointly by the exporters. Electric fans must be supplied at the beginning of the season.

Iron & Steel Products

India can improve further its exports of iron and steel products to Kuwait, if price cutting amongst exporters is avoided. Exporters may form a sort of consortium.

Cotton textiles

Indian manufacturers of cotton textiles should produce novel designs and improve texture and finish.

Supplying cotton textiles from India before beginning of summer season is very bad. Indian exporters hesitate to book orders and await presentation of Indian budget for the coming year. Necessary steps should be taken to book orders and supply goods in time.

Wires & cables

In the case of insulated cables and wires, outward appearance, smoothness and attractive packing are very important. Copper insulated wires are preferred to aluminium insulated wires. Since there is no difference in performance, aluminium insulated wires can be popularised in Kuwait if steps are taken by exporters to convince importers and users.

Cement

Exports of cement can be increased provided prices are lowered and delivery schedules maintained. Packing is poor and needs improvement.

Auto parts

Consumers are not aware of the existence of automobiles industry in India. To popularise auto spare parts, an exhibition of auto parts could be held in Kuwait.

Also a 'repair and maintenance' workshop should be set up jointly by exporters of auto spare parts.

B. General

1. To take advantage of nearness, shipping facilities between India and Kuwait must be adequate.

2. Part-shipments and delays should be avoided.

3. Goods must be supplied according to samples or specifications agreed upon. Effective steps should be taken to ensure that goods are matched with samples or specifications.

4. Merchants are not aware about India's ability to produce a number of sophisticated goods. Exhibition of Indian products in this market would be helpful.

5. Indian exporters must appoint sole-agents rather than depending solely on their sales representatives for Middle East, located at either Beirut or Bahrein.

6. Steps must be taken to undertake propaganda and sales drive in this market by running films in local cinema houses or by following local preference of giving away attractive "gifts".

7. Indian exporters should not be allowed to undercut each other. It spoils Indian image.

8. Packing of goods is very poor and unattractive. Steps should be taken to improve packing to avoid damage in transit.

9. Abrupt increases in prices should be avoided. When a particular brand becomes popular, exporters increase prices to make quick profits.

10. Exporters should keep a watch on techniques followed by competitors since the market is highly competitive and free.

11. Exporters should make sure that all invoices and documents are made available to importers before arrival of goods in Kuwait as they cannot be cleared without them.

12. In this affluent society, consumers prefer novel designs and patterns. Exporters who can change designs and patterns quickly could earn better.

13. Once a particular commodity becomes popular, it must be backed by regular supplies, otherwise there are chances that consumers may shift to other competitive goods.

PART ONE

ECONOMY

Chapter 1

ECONOMY

The Amirate of Kuwait lies in the northwest extreme of the Arabian Gulf (Persian Gulf). It is bordered by Iraq on north and west, while its sourthern side is flanked by Saudi Arabia and the Neutral Zone. The eastern boundary of the Amirate, nearly of 200 kilometres length, is the Gulf Coast itself. Total land area is 16,000 square kilometres besides 5,700 sq.kms. of the Neutral Zone. The Amirate territory also includes several islands in the Gulf. As large portion of Kuwait is desert it is estimated that less than one per cent of State's area can be classified as cultivable. Climate is hot and humid with an average annual rainfall of less than four inches in most parts.

Population

Population of Kuwait in 1968 was estimated at 536,000 of which more than half were expatriates of non-Kuwaiti origin. In the table below population levels for the period 1957-68 are presented. Three Censuses were conducted in the years 1957, 1961 and 1965. Population figures for 1966-1968 are estimates.

POPULATION OF KUWAIT

(In '000 numbers)

Population \ Year	1957	1961	1965	1966	1967	1968	1972	1974
Kuwaiti	113	162	220	228	237	245	280	300
Non-Kuwaiti	93	160	247	263	279	291	320	335
Total	206	322	467	491	516	536	600	635

The three Censuses indicate an annual growth rate of nearly 11 per cent over the period 1957 to 1965. This enormous rate of increase in population may be ascribed in main to immigration. Population during this period registered an increase of nearly 9 per cent per annum while non-Kuwaiti population recorded an increase of nearly 13 per cent per annum. It is estimated that population would reach a level of 280,000 in 1972 (Completion of Kuwaiti first five year plan) and can be anticipated to reach a level of 300,000 by 1974. Expatriate, non-Kuwaiti population during 1968-74 is expected to rise less sharply than in past and is anticipated to touch a level of 335,000. Total population in 1974 is expected to reach 635,000. Population projections for non-Kuwaiti element must be accepted broadly as indicative of population policy; the State has explicitly

stated that it intends to encourage Kuwaiti labour participation (especially of women) and discourage to the maximum extent possible employment of non-Kuwaiti labour. Planners of Kuwait opine that the principle of selectivity should be employed in deciding the optimum size of non-Kuwaiti element in the work force and in total population. Also planners advocate that religious, cultural and social characteristics of immigrant population should be taken into account. Discussions with various people acquainted with problems reveal that it is very difficult in the near future to achieve a substantial reduction of non-Kuwaiti element in working force. A vital factor which hinders greater participation in labour is Kuwaitis attitude to work. Enormous welfare and transfer expenditure of the State has resulted in creating a disdain for jobs with a little or no social prestige and a strong yearning for white collared and socially prestigious jobs.

Economy trends and prospects

The economy at the turn of Twentieth Century was in a relatively healthier position than economies of other Amirates in the Gulf. Main occupations were pearl-diving, boat-building and re-export. Several thousand men lost their livelihood when Japan flooded

Structure and growth

During the period 1962-63 to 1967-68 the gross national product grew at 6 per cent per annum as seen from the following table:

CHANGES IN G.N.P.

	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68
G.N.P. (Million)K.D.	460	500	542	565	607	614
Population (000)	391	426	467	491	516	536
Per capita income($)	3,293	3,287	3,248	3,223	3,293	3,209

Despite an impressive six per cent growth in GNP per capita income shows a slight decline due to large increase in population. The decline in the per capita income is, however, not expected to affect standard of living as all welfare expenditure and transfer and subsidy operations are meant for Kuwaitis only.

In absence of reliable estimates of gross national product by industrial origin as estimates of gross domestic product by industrial origin are available for 1965-66 and 1966-67 its sectoral distribution for these two years

is shown in the following table below:

GROSS DOMESTIC PRODUCT OF KUWAIT

(Million K.D.)

Sector	1965-66 G.D.P.	1965-66 Percentage to total	1966-67 G.D.P	1966-67 Percentage to total
1. Agriculture & fisheries	2.3	0.3	3.2	0.4
2. Mining & Quarrying	476.8	63.4	490.8	61.5
3. Industry	24.1	3.2	27.9	3.5
4. Construction	32.3	4.3	38.3	4.8
5. Electricity, water & gas	15.8	2.1	18.4	2.3
6. Transport & communications	21.1	2.8	21.8	2.8
7. Wholesale & retail trade	60.2	8.0	64.6	8.1
8. Finance, insurance & real estate	6.0	0.8	7.2	0.9
9. Housing	35.3	4.7	38.3	4.8
10. Defence & administration	41.4	5.5	46.3	5.8
11. Other services	36.8	4.9	41.4	5.2
Total	752.1	100.0	798.2	100.0

Continuously increasing oil revenues are channeled through public expenditure to create high levels of income for Kuwaitis. Wholesale and retail trade contributes about 8 per cent of the national product. The construction sector enjoyed a boom in the past and it is anticipated that its contribution will decline with nearing of saturation point. As population base is small, even trading activity may not show much increase in future.

Disposition of the gross domestic product reveals excess of exports over imports resulting in sizeable balance of payments surplus and net inflow of funds.

DISPOSITION OF G.N.P.

(in million K.D.)

	1965-66	Percentage G.N.P.	1966-67	Percentage G.N.P.	1967-68	Percentage G.N.P.
1	2	3	4	5	6	7
1. Private consumption	188.2	33.5	219.2	34.5	263.4	38.0
2. Public consumption	108.6	19.5	129.6	20.4	147.5	21.0
3. Gross domestic capital formation	97.4	17.3	129.6	20.4	167.0	24.1
4. Change in stocks	18.8	3.3	19.1	3.0	27.8	4.0
5. Exports +	519.7	92.5	595.6	93.7	557.9	80.5
6. Imports -	-166.3	36.3	-202.2	31.7	241.6	34.5
7. Expenditure on G.D.P.	766.4	-	890.4	-	922.0	-
8. Net factor income from abroad	-204.3		-255.0		-228.0	
9. Gross national product	562.1	635.4	635.4		693.4	
10. Per capita GNP	1171		1210		1137	

(G.N.P. = pr+Pub Con+Caf For + B of P Surp,
(Exp-Imports = Net fact income) (Chaf of stock).

Gross capital formation increased from 20.6 per cent (including inventory changes) in 1965-66 to 28.1 per cent in 1967-68. A break down of capital formation for the period 1965-66 to 1967-68 is presented below:

GROSS CAPITAL FORMATION 1965-66 to 1967-68

(In million K.D.)

Gross Capital formation	1965-66	1966-67	1967-68
A) Public sector of which	34.8	41.4	29.9
Construction	20.1	30.7	17.8
Plant and Machinery	14.7	10.4	12.4
B) Private sector of which	62.6	88.5	137.1
Construction	35.9	42.4	71.1
Plant and Machinery	26.7	46.1	66.1
C) Inventory change	18.8	19.0	27.8
Total A+B+C	116.2	148.6	194.8
G.C.F. as percentage of G.N.P.	20.6	23.4	28.1

For the same period available information on pattern of private consumption is presented below:

PATTERN OF PRIVATE CONSUMPTION 1965/66-1967/68

(In million K.D.)

Item	1965-66	Percentage in total	1966-67	Percentage in total	1967-68	Percentage in total
1. Food, beverages tobacco	46.7	24.8	50.7	23.1	61.1	23.2
2. Clothing & footwear(Rent)	18.4	9.8	21.3	9.7	23.6	8.9
3. Housing, water, light	36.1	19.2	39.0	17.8	45.7	17.4
4. Household eqt. (Furniture etc.)	16.9	9.0	22.1	10.1	28.4	10.8
5. Medical care & health expense	1.8	0.9	2.3	1.0	2.8	1.1
6. Transport & communication	22.7	12.1	31.2	14.2	35.4	13.4
7. Education	0.7	8.8	0.9	8.4	1.2	9.1
8. Recreation	16.5	0.4	18.3	0.4	24.1	0.5
9. Others	16.3	8.7	19.5	8.9	22.0	8.4
10. Expenditure of residents abroad	15.2	8.0	17.0	7.7	22.4	8.5
11. Expenditure by non-residents	-3.1	-1.7	-3.1	-1.3	-3.1	-1.3
12. Total private consumption	188.2	100.0	219.2	100.0	263.4	100.0

The above data indicate that proportion of food, clothing and housing to total consumption expenditure declined though not to a large extent, while proportion

of household equipment, medical care, transport, education and recreation had gone up. Some are of the opinion that food, clothing and housing expenditure has already reached a high level and further increases would only be at declining rates.

Anticipated growth:

For effecting necessary structural transformation of the economy both for reducing extreme dependence on external world for men and materials and to improve the standard of living of the masses, the Kuwaiti Planning Board has drafted a Five Year Plan whose objectives, targets and investment levels are presented below:

Basic objectives:

i) Better and more equitable distribution of wealth and income;

ii) Achieving a greater degree of diversification in sources of national income and raising their contributions;

iii) Developing human resources in order to meet requirements of skilled manpower

iv) Striving for a greater degree of regional integration, by coordinating the drive for economic and social development with other Arab Countries.

v) Completion of infrastructure projects to reduce overhead costs of all industries and to eliminate any bottleneck that may arise;

vi) Encouragement of joint-ventures in petro-chemical based industries;

vii) Agricultural development by commencement of the Shatt-al-Arab project.

To achieve these objectives, the Plan envisages an investment of K.D. 912 million ($ 2,553.6 million) during the five year period 1967-68 to 1971-72. Sectoral breakdown of investment levels are given below:

SECTORAL BREAKDOWN OF INVESTMENTS DURING THE PLAN PERIOD

(Investment in million K.D.)

Sector	Public sector	Joint sector	Private sector	Total
1	2	3	4	5
1. Oil and natural gas	-	10.0	60.0	70.0
2. Industry				86.0
a) Oil based industries	-	22.0	7.7	29.7
b) Shuaiba area projects	16.6	-	-	16.6
c) Dry dock	-	14.0	-	25.7
d) Processing industries	4.4	3.0	18.3	25.7
3. Agriculture & animal husbandry	5.0	3.0	-	8.0
4. Fisheries	-	-	4.0	4.0
5. Electricity				64.8
a) Generation	24.6	-	-	24.6
b) Distribution	39.2	-	-	39.2
c) Mechanical projects	1.0	-	-	1.0

contd...

1	2	3	4	5
6. Water and irrigation				72.0
a) Distillation	13.0	-	-	13.0
b) Distribution network	20.0	-	-	20.0
c) Shatt-al-Arab project	30.0	-	-	30.0
d) Exploration & exploitation of subterranean water sources	9.0	-	-	9.0
7. Transport & communications				152.2
a) Air transport	16.3	-	-	16.3
b) Sea transport	14.2	6.1	26.0	46.3
c) Land transport	28.5	1.9	28.0	58.4
d) P.T.T.	31.2	-	-	31.2
8. Guidance and information	13.0	-	-	13.0
9. Research and training				9.0
a) Research	5.5	-	2.0	7.5
b) Training	1.5	-	-	1.5
10. Social and religious services	17.0	-	1.0	18.0
11. Education	50.0	-	2.0	52.0
12. Public health				33.0
a) Hospitals	27.5	-	-	27.5
b) Clinics	0.5	-	-	0.5
c) Preventive medicines and others	2.0	-	-	2.0
d) Private hospitals and clinics	-	-	3.0	3.0
13. Housing & public buildings				177.0
a) Housing projects	63.8	2.0	100.0	165.8
b) Public buildings	11.2	-	-	11.2
14. Commerce, finance & tourism	6.0	1.0	15.0	22.0
15. Public utilities & municipal services	46.0	-	-	46.0
16. Security and justice	10.0	-	-	10.0
17. Increase in stocks	-	-	75.0	75.0
Total	507.0	60.0	345.0	912.0

Source: The First Five Year Development Plan 1967/68-1971/72, The Planning Board.

Investment envisaged during the Plan will certainly raise income level in Kuwait. G.D.P. is expected to increase at a rate of 6.5 per cent per annum that is, it will register an increase from K D 804 million in 1966-67 to K D 1102 million by 1971-72. Assuming the same rate of increase in G.D.P. for 1972-73 and 1973-74 and assuming investments at Plan period level it is estimated that an income of KD 953 million ($2,668 million) will be generated by 1973-74. Assuming population at 635,000, the per capita income in 1973-74 would be $ 4,201.

The highest priority in investment during the Plan period is accorded to construction of houses and public buildings, followed by transport and communications, oil based and other industries; water and irrigation; oil and natural gas; electricity generation and distribution and education.

Assuming an investment level of about KD 900 million during the period 1968-69 to 1973-74 construction is expected to get around 45 per cent, and plant machinery and services 41 per cent, the balance 14 per cent being for stocks. These proportions are based on past performance during first two years of the Plan period.

PART TWO

TRADE

Chapter 2

MARKET STRUCTURE

Kuwait lies in a desert area and hence there is no agricultural production worth mentioning. The Kuwait Government is currently engaged in conducting a soil survey with a view to finding out whether soil is suitable for agricultural development. In the meantime, it is giving encouragement to the private sector for setting up a poultry industry to meet a part of demand for live birds (chickens) and eggs.

Aside from oil, industries worth mentioning in Kuwait are fishing and fish canning; paints; food packing and processing; printing; scrap iron processing; asbestos pipes; chlorine; and salt. Production meets partially local demand. The only indigenous exportable products besides oil are ammonium sulphate, urea, shrimps, asbestos pipes, spiral welded steel pipes and potagas.

Kuwait is keen in developing its industrial sector and an industrial area at Shuaiba (about 60 kilometres to the south of Kuwait city) was started in 1966. The Government has passed a new industrial law providing for assistance to industry in the form of exemption from import duties on capital goods and raw materials, tariff protection

subsidised water and power rates and preference in government purchases for locally manufactured products. Some servicing industries will come up in the first shape and second stage will cover those industries whose production will be mainly for local consumption and for which raw materials will be imported. At present, technical know-how is lacking. Shortage of skilled manpower together with the small size of the market are two deterrent factors in the way of any large scale industrialisation.

Trade has become the main source of income to the private sector. Liberal commercial policies followed by Kuwait has made it an ideal trading centre where ample chances are available for all types of goods which are imported in substantial quantities from all over the world.

Much of trade in Kuwait constitute dealings in goods which are imported and stored until demand and price become lucrative in neighbouring countries. This has resulted in development of re-export trade. During 1967, total value of exports excluding oil amounted to about $ 37 million, of which about 75 per cent was re-exports.

There is keen competition amongst overseas exporters. Kuwait has commercial relations with more than one hundred countries including Socialist countries. Exporters, thus, must take into consideration quality compatable with prices; otherwise it would be difficult to improve their trade. Although market is quality conscious prices are also important. Kuwait's large purchasing power has led to demand for high quality consumer and durable goods. There is also demand for comparatively poor quality goods for re-export to neighbouring countries to meet their requirements. Under-cutting of prices or improving quality without corresponding increase in prices by some exporting countries are quite common. This keen competition has resulted in introduction of novel designs and patterns to expanse appeal. Consumers' preferences change abruptly with availability of numerous types of goods.

The Government of Kuwait, oil companies and some joint stock companies purchase many items through tenders. According to the 'Commercial Law' only local merchants are permitted to submit bids to the tender invitations. (No foreigner can set up a business establishment without a Kuwaiti partner). There is also keen competition in respect of prices and bids for every

tender. If quality and designs are the same amongst bidders, prices and conditions of supply are deciding factors for awarding the tender. Lobbying expenditure is not much.

With all countries of the World competing quick delivery part from quality and competitive prices assumes a significant role. The Kuwaiti market deals in stocks of goods and to take advantage of price changes, quick delivery is essential. Goods are sometimes re-routed to other countries where prevailing prices are comparatively higher. Thus shipping facilities between exporting country and Kuwait should be adequate and quick.

Apart from quality, prices and delivery schedules, exporters must bear in mind the following factors:

i) Electrical equipment and appliances could be operated at 240 Volts, 50 cycles A.C.

ii) The Municipality Health Section conducts strict control on foodstuffs. Goods must satisfy their specifications.

iii) Instructions regarding use of goods must be written in Arabic and English.

iv) Metric system of weights and measurements should be used.

Distributive System:

Most import houses are also wholesalers and deal in a number of commodities. Import houses are owned by Kuwaitis. According to the 'Commercial Law', if there is a partnership firm, all the partners must be Kuwaiti nationals. In the case of joint stock companies (with limited Liability - W.L.L.), the share of Kuwaitis should not be less than 51 per cent. Importers/wholesalers undertake distribution of goods to either retailers or consumers through their own department stores.

Agents also play an important role since some goods like construction materials are imported directly by end-users. They act as middlemen between exporters and end-users, their commission varying between 2 and 5 per cent depending mainly on the size of the order.

Some exporters have appointed sole selling agents who import on behalf of their principals and also undertake sales drive as agreed. Agents have developed the trend of not undertaking business with foreign exporters as agents only (third party or middlemen) unless they are given sole agency. Sole-agencies should be awarded directly to Kuwaiti nationals. Appointments of a Kuwaiti merchant as a sub-agent is prohibited.

Sales, Credit and Documentation

Importers/wholesalers normally give 60 days credit to retailers but it is not a uniform practice. The period of credit varies from commodity to commodity and from party to party. An agreed rate of interest is charged, which varies from 6 to 9 per cent. Cash discounts are also granted. The trade discount is pretty heavy and varies from 15 to 30 per cent. The margin for importers/wholesalers varies from 20 to 40 per cent. The mark-up by retailers is also heavy and varies from 30 per cent to more than 100 per cent. Margins differ considerably from commodity to commodity and sometimes depends on the availability of goods in the market. The team was informed that wages are high and also establishment costs. The gain in the low custom duty is often wiped out by high mark-up and trade margins. Importers insist on lower import prices but are not willing to reduce their (margin of) profit. Thus, there is keen competition amongst exporters to supply goods at low prices to importers who in their turn prefer to secure goods from those exporters who can supply cheap without deteriorating quality. The obvious result is constant changes in design and appearance so that it does not become competitive amongst suppliers.

Exporters may receive payment against value of their goods by one of the following ways:

i) by a letter of credit, according to which payment is made after completion of shipping formalities;

ii) by part payment, provided that previous payments were effected within specified dates;

iii) credit sales according to which values of each part sold would be transferred to exporters, as in the case of tea and industrial machinery transactions;

iv) sales based on commission, according to which merchant sells goods at prevailing prices, on behalf of exporter, and receives an agreed commission.

It is, however, advisable to adopt the system of letter of credit. There is no problem for transfer of money from Kuwait. Exporters can receive payment in any currency such as the Sterling, Dollar or French or Swiss Franc.

Exporters can obtain information regarding financial standing of merchants/importers; Commercial Legislation names and addresses of dealers or about prevailing economic conditions from local banks as well as from the Kuwait Chamber of Commerce and industry, P.O.Box No.775, Kuwait city. All leading merchants and all importers are members of the Kuwait Chamber of Commerce and Industry.

An exporter has to furnish four documents and statements. These are required for clearing goods from Customs authorities. These documents are:

1. an official delivery permit issued by the shipping agent and/or other authorized party showing number of parcels, their contents and marks in accordance with the manifest;

2. bills specifying types of goods, their unit values, total value, names of producers, the commodity of origin and means of transportation. Invoices must be officially certified;

3. packing lists indicating types and means of packing (whether in boxes, crates, cartons, bales etc.), contents of each packing together with net and gross weight and value. These lists should also be officially certified; and

4. a certificate from the Chamber of Commerce of the exporting country attesting that goods are not of Israeli origin and are free from any raw material made in or imported from Israel. This document must as well show the origin of goods, name of producer, source, net and gross weight, recorded trade mark mentioned in the manifest, value, type of packing and transportation medium.

Shipping

Shipping facilities between Kuwait and exporting countries affect vitally foreign trade pattern. As stated earlier, it is one of the most important determining factors. Kuwaiti merchants not only import for their local needs, but a part of imports is also re-exported.

The price variation due to shortage of supply or due to glut in the market affects imports. Importers, therefore, prefer to procure from those countries which can supply goods according to settled delivery schedule. No country can stick to timely supplies, if shipping facilities are not adequate.

Tariffs also play an important role. Supplies in bulk are obtained through Chartered ships or tramps. Often supplies are also obtained from nearby countries through country crafts (Dhows) since rates charged are much less than Shipping Conference Rates. It is understood that some shipping lines which are members of the Conference, give underhand concession to their regular customers for their loyalty to a particular shipping company. The most common method used by shipping lines which are members of the Conference are under statement of weight or volume. Another method brought to our notice was offering expensive gifts under the disguise of advertisement expenditure or lobbying. Most shippers from Eastern Countries especially Japan get some concession or other from shipping lines. From European side, these underhand methods are less common. Most shipping lines of socialist countries are not members of the Conference and thereby are free to charge agreed

rates depending upon the volume of cargo, space in the ship or the availability of return traffic. Rates thus vary from time to time, as well as from customer to customer. This discrimination, it is understood by the agents of shipping lines interviewed in Kuwait, is posing a big problem especially in regularising shipping facilities. Keen competition amongst shipping companies has resulted in adoption of underhand methods, on the one hand, and preference for carrying high valued - high rated cargo in preference to low rated-bulk cargo. As a consequence, whereas sophisticated goods reach Kuwait quickly, bulk cargo like cement, iron and steel products, etc., has to wait for a longer period and sometimes is accepted in parts. Part-shipments, thus, have two facets. One due to part-delivery of cargo for shipment by shippers and the other to non-availability of space in ships as declared by shipping companies.

Prevailing freight rates for some important commodities from Europe to Kuwait and from India to Kuwait are given below:

S.No.	Commodity specifications	Rates in dollars from European ports	Rates in dollars from Indian ports
1.	Clothing Textiles(per 100 kgs.)	53.40	40.00
2.	Clothing Textiles(per cu.m.)	47.90	37.50
3.	Textiles(unfinished products) per cu. metre	17.90 to 44.45	15.00 to 28.80
4.	Textiles-lace embroidered material, brocade, etc. and fancy tapestry(per cu.metre)	47.90	35.20
5.	Wire in drums(per tonne)	20.40- 33.40	16.50- 28.50
6.	Steel pipes & tubes(per tonne)	31.00	20.80
7.	Hot rolled steel sheets (per tonne)	20.35	N.A.
8.	Tyres and tubes rubber (per tonne)	37.90	N.A.
9.	Tyres and tubes rubber (per cu.m.)	34.00	N.A.
10.	PVC Cables in rolls (per cu.m.)	14.50 - 31.00	10.50 - 25.00
11.	Garlic, onions (per tonne)	44.50	35.20
12.	Spices (per tonne)	53.40	42.50
13.	Spices (per cubic metre)	47.90	35.50
14.	Electrical goods (per cu.metre)	19.15 - 47.50	12.50 - 22.50
15.	Sewing machines (-do-)	42.60	22.15
16.	Iron and steel bars(per tonne)	23.50	14.00
17.	Tea (per cubic metre)	N.A.	18.00 - 22.00

Port at Kuwait has berthing capacity for four ships. There are plans to increase the draft so that larger than the present limit of 20,000 tonnes can be accommodated.

Publicity

In a highly competitive market like Kuwait, publicity assumes a vital role. Exporters must bear in mind that the Kuwaiti market is extremely conscious about brand names and new brands in this market can be sold only if the consumer is well informed. It was revealed by important importers, who undertake publicity on behalf of exporters, that between 3 to 4 per cent of the C & F value is authorized to be spent on publicity by manufacturers/exporters apart from other normal discounts received. Sole-agents also undertake publicity according to agreement and they are re-imbursed by exporters. Normally about 5 per cent of the value of goods exported is set aside for purpose of advertising and introducing new goods by foreign companies, especially from Europe and Japan.

It may be noted that rates from Europe include a surcharge of 17½ per cent due to closure of the Suez Canal. Rates from Far East (Japan, Hong Kong) are reportedly more or less equivalent to those from India.

At present on an average there are eight sailings per month from India [1/] (both from Calcutta and Bombay) to Gulf ports. All these services do not touch Kuwait; some go only to other ports in the Gulf. Mostly these services accept high-value high-rated cargo. All the sailings combined carry 400 to 1000 tonnes of cargo. Tramps and chartered ships carry bulk cargo. It is understood that existing services from India to Kuwait are not adequate. It is suggested that India should operate two regular passenger-cum-cargo services per week from Indian to Gulf ports. It is estimated that about 300 passengers each way per trip would be available from and to Kuwait alone and there will be passengers for other Gulf ports also. Sailings between India and Kuwait should advertise schedules of operation. Exporters from India as well as importers in Kuwait should know departure and arrival time. Once the itinerary is known to exporters from India, cargo for shipment would be made available in time.

1/ Shipping Corporation of India - 2 services per month; Scindia - 1 per month; B.1. lines 4 per month; Damodar - one sailing a month.

The popular media of advertisement is through gifts to consumers along with purchase of a particular commodity. Often gifts bear publicity material written in Arabic or containing some beautiful pictures. This method of give-aways is preferred to other available methods that is, advertising through newspapers or public hoardings and neon-signs. Radio and television services do not undertake commercial advertisements but sometimes, when a well-known manufacturer visits Kuwait, his visit is covered by television and radio and thus his products get publicity indirectly. Japanese manufacturers had in the past followed this method of sending top management to Kuwait. A new trend has now appeared. Some manufacturers have films prepared and run there in local cinema houses. Ceylon has popularised its tea through this medium. Neon-signs and hoardings are prominently displayed along major roads and crossings.

After considering all types of media for advertising in Kuwait, the suitable media to be followed by Indian exporters would be (i) through give-aways and (ii) through running films in local cinema houses. Gifts as well as films can be produced in India and exported to Kuwait as publicity material, thereby saving foreign exchange.

The local population is cinema-minded. It would be of great help if gifts offered along with 'consumer goods' are useful to women and children. Women invariably remain in "Purdah" and through attractive and useful gifts come to know about products in the market and to a considerable extent influence purchases.

Chapter 3

FOREIGN TRADE POLICY

Dominating factors affecting trade policy in Kuwait are a unique strong balance of payments position, nominal customs duties at 4 per cent ad valorem on almost all imports, high purchasing power, free and competitive market, re-export goods of comparatively poor quality, location of Kuwaiti market and commercial relations with foreign countries.

Import Restrictions

Kuwait is a free trading area. Every importer 1/ has to secure a licence authorising him to import any quantity of goods from any country. Kuwait has, however, banned imports from Israel, Portugal and South Africa.

1/ According to Law 43 for 1964 regulating importation, the right to import merchandise, materials and equipment from abroad is restricted to:

a) Kuwaiti individuals;
b) Kuwaiti companies whose partners are all of Kuwaiti nationality; and
c) Share companies and companies with limited liability where Kuwaitis own not less than 51 per cent of total capital holding.

Importers must be registered in the Commercial Register and with the Kuwait Chamber of Commerce and Industry.

Import of some items is banned. These items are narcotics, opium, hashish, printing materials and books infringing public morals or calling for revolution or mutiny; false and counterfeited money, weights and measures; and alcoholic beverages. Apart from these banned items, some items can only be imported after obtaining special licence from the Government. The items covered under special licence are hunting arms and ammunition, harmful medicaments and rarefied alcohol.

Tariff Policy

Customs regulations governing duties in Kuwait are as under:

1. The Ministry of Finance and Industry (Customs and Ports Department) receives customs taxes on imports and exports of all goods except goods exempted from the payment.

2. The customs duty levied is 4 per cent ad valorem. The evaluation of goods is based on the price of goods as if sold in Kuwait at the time of its clearing from customs and not on the C & F value mentioned in the manifest.

3. To encourage local industry, customs duty at 100 per cent ad-valorem is imposed on imported natural gas.

4. Imports of the following are exempted from payment of customs duties:

i) All goods imported by the Government departments provided these are not meant for sale;

ii) All goods imported by the Kuwait Oil Company Ltd. and the American Independent Oil Company, provided they are not meant for sale;

iii) Goods destined for other ports but unloaded by mistake provided same is re-loaded and shipped to their proper destination.

iv) Accompanied or non-accompanied personal effects provided these are not meant for sale;

v) Re-exported goods provided import duties were paid and a statement to that effect is presented to customs authorities;

vi) Palm leaves and baskets made therefrom and fresh dates;

vii) Fresh fruits, fresh vegetables, cattle, domestic fowls and eggs;

viii) Books, magazines, newspapers and the like with exception of stationery and wrapping paper;

ix) Gold, silver, pearls, diamonds and gems;

x) Developed movie films;

xi) Publicity material provided they bear the advertiser's name and are not for resale;

xii) Samples and models which are not meant for sale;

xiii) Onions and potatoes; and

xiv) Industrial machinery and spare parts thereof

5. If any of exempted goods imported by Government departments or Oil Companies are sold, customs duty at 4 per cent ad valorem will be charged on sale value.

6. If materials imported for publicity or samples and models listed amongst exempted goods, are sold, the importer will have to pay customs duty at 4 per cent ad valorem.

7. Re-exported goods, which have been imported and taxed shall be exempted from exit-duties, and and exit duty at 4 per cent of the value of the re-exported goods (which were exempted on importation) shall be paid.

8. An exit duty is paid on re-exported goods which entered the country as part of other goods and were not subject to custom duties.

Apart from above mentioned tariffs and exemptions on imported goods in Kuwait, Municipality and Health Authorities have prescribed certain conditions on imports. If these conditions are not complied with, goods are either destroyed or are not permitted to land in Kuwait.

i) Live animals (cattle and sheep) imported should be vaccinated against anthrax, cattle plague, foot and mouth disease and toxemia;

ii) Animals should be proven free from tuberculosis and contagious foot diseases by checking them prior to exportation;

iii) Cattle should be imported from areas free from epidemic pneumonia attacking cattle;

iv) Cattle should be immersed in anti-parasitic solution shortly before shipments;

v) Cattle should be accompanied with a certificate issued by the official veterinary department of the exporting country stating that all the conditions have been fulfilled.

Imports of meat and meat products into Kuwait must be accompanied by the following certificates indicating:

i) Country of origin, number of packages, weight, type and name of meat product, date of inspection and point of export.

ii) Name of importer and point of destination.

iii) Animals were subject to ante-mortem and post-mortem examination and were proven free from all contagious diseases. This certificate is to be obtained from the veterinary department of the exporting country.

iv) Type and percentage composition of the meat product certified by the pertinent authorities in the countries of origin.

Law No.11 for the year 1961, provides that all goods not cleared for a period of 12 months from the date of arrival, shall be auctioned and harbour authorities shall retain proceeds after deduction of customs duties, demurrage and other due charges. This one year period will not apply to vegetables, fruits and canned foodstuffs liable to damage. Report from the Public Health Doctor will determine the period.

If a representative of a foreign company wished to bring along commercial samples, he should pay a surety of 10 per cent of the value of samples and he should receive a certificate containing pertinent descriptions, which he should, on his departure, present to the Export Section where concerned official, after ascertaining the shipment of samples, signs and stamps it, thus enabling the holder to re-collect his money. If the foreign representative wishes to sell these samples in Kuwait he should complete customs formalities and re-collect his surety after deduction of customs duties. Should he sell samples without payment of customs duties, he would be deprived of the right to re-collect his surety, which will be forfeited as penalty.

Exporters should make sure that all invoices and documents are available to the importer before arrival of goods in Kuwait. Goods are not cleared without these documents.

All drugs and medicaments imported into Kuwait are subject to laboratory tests at the Ministry of Public Health.

Chapter 4

REVIEW AND PROSPECTS OF TRADE

The entire economy of Kuwait is dependent on foreign trade, since the major source income comes from export of oil and Kuwait imports almost all goods for both consumption and investment. The low rate of import duties coupled with rapid rise in per capita incomes have resulted in growth of imports from year to year. Kuwait had the highest per capita level of imports in the world at 1,149 dollars in 1967

Balance of Trade:

The balance of trade position since 1960 is presented below:

(Million dollars)

Year	Exports	Imports	Balance of Trade
1960	958	242	716
1961	943	249	694
1962	1,052	285	767
1963	1,107	324	783
1964	1,218	322	896
1965	1,243	377	866
1966	1,304	463	841
1967	1,307	593	714

Source: IMF Financial Statistics and Yearly Bulletin of Foreign Trade Statistics, the Planning Board, State of Kuwait.

It is seen from the above table that Kuwait has been enjoying a favourable balance of trade throughout the period, although it began to start declining from 1964. The declining trend is due to higher rate of increase in imports than that in exports. Nontheless it continues to enjoy a sizeable trade surplus.

Imports

As stated earlier, Kuwait has to import almost all commodities either for consumption or for investment from abroad with the exception of oil and natural gas. The contribution of local production is and will remain negligible compared to the demand of these goods in Kuwait. Moreover, Kuwait imports not only to meet the local demand but also for re-export to neighbouring countries.

The total imports of Kuwait have been increasing year after year. The imports of Kuwait were valued at K.D. 101.9 million (285 million dollars) in 1962 whereas the value of imports during 1967 was K.D.211.9 million (593 million dollars), registering an increase of about 108 per cent during this period.

A table showing imports into Kuwait by major sections in 1965, 1966 and 1967 is given below:

Imports into Kuwait by Sections

(million $)

Section	1965		1966		1967	
	Value	% to total	Value	% to total	Value	% to total
1	2	3	4	5	6	7
0. Food and live animals	78.4	20.8	74.2	16.0	81.4	13.7
1. Beverages & tobacco	17.9	4.8	18.3	4.0	19.3	3.3
2. Crude materials, inedible, except fuels	8.7	2.3	10.7	2.3	13.5	2.3
3. Mineral fuels, lubricants, etc.	2.5	0.6	4.0	0.9	5.0	0.8
4. Animal fats, vegetable oils etc.	1.1	0.3	1.1	0.2	2.0	0.3
5. Chemicals	13.2	3.5	18.9	4.1	23.3	3.9
6. Manufactured goods	81.8	21.6	107.5	23.2	136.4	23.0
7. Machinery & transport equipment	121.9	32.3	162.9	35.2	229.6	38.7
8. Miscellaneous manufactured articles	51.7	13.7	65.2	14.1	82.7	13.9
9. Commodities and transactions not classified according to kind.	Neg.	Neg.	Neg.	Neg.	0.1	Neg.
TOTAL	377.2	100.0	462.8	100.0	593.3	100.0

Source: Yearly Bulletin of Foreign Trade Statistics, The Planning Board, State of Kuwait.

It is evident from the above table that in 1967 machinery and transport equipment amounted for 38.7 per cent of total imports manufactured goods for 23.0 per cent miscellaneous manufactured articles 13.9 per cent and food and live animals 13.7 per cent.

A detailed composition of imports under these sections is presented in table 1 for a better understanding of Kuwaiti market.

It is expected that imports will increase in future due to rising trend of incomes and consequences of investments programmed during the Plan period (1967-68 to 1972-73).

Moreover, Kuwait will continue to cater to requirements of neighbouring countries especially of Iraq, Iran, Saudi Arabia and Gulf countries. Thus level of imports in future is dependent not only on demand in Kuwait of goods but also on re-exports to other countries. However, on the basis of the past trend and development activities envisaged in the Plan, it is tentatively estimated that by 1975, imports would be around one billion dollars.

Sources

Principal suppliers of goods to Kuwait are the United States of America, the United Kingdom, Japan and Western Germany which supplied individually more than 50 million dollars worth of goods. These countries are followed by Italy, India, Lebanon, China, France and Australia. Imports from main suppliers are given in table 1.

The United States of America not only maintained its supremacy with a share of 21.7 per cent in 1967 but was the largest supplier over a period of time. Imports from USA in terms of value increased from $60.6 million in 1962 to $ 128.5 millions by 1967. Main items imported from USA in 1967 were rice, cigarettes, machine oils, chemical products & preparations, iron & steel tubes, pipes & fittings, oil well drilling machinery, graders and levellers, air conditioning units & central airconditioning machinery pumps; lifting machines, powered tools, water distillation machinery & equipment, oil refinery machinery & equipment, domestic refrigerators; passenger motor cars, lorries & trucks; auto spare parts; and clothing and accessories.

Table 1

SOURCES OF KUWAITI IMPORT SINCE 1962

(million dollars)

Country	1962		1963		1964	
	Value	Percentage share	Value	Percentage share	Value	Percentage share
1. U.S.A.	60.6	20.6	66.3	20.5	58.2	18.1
2. Japan	24.6	8.6	30.1	9.3	31.8	9.9
3. U.K.	56.4	19.8	61.0	18.8	58.6	18.2
4. W.Germany	24.7	8.7	30.1	9.3	28.0	8.7
5. Italy	12.8	4.5	14.5	4.5	17.1	5.3
6. India	9.9	3.5	10.4	3.2	10.7	3.3
7. Lebanon	7.8	2.7	9.2	2.8	8.5	2.7
8. China	2.2	0.8	2.9	0.1	5.9	1.8
9. France	7.4	2.6	8.7	2.7	8.0	2.5
10. Australia	6.0	2.1	7.1	2.2	6.8	2.1
11. Holland	8.8	3.1	9.1	2.8	10.8	3.4
12. Iran	6.2	2.2	7.6	2.3	11.4	3.5
13. Iraq	2.6	0.9	4.3	1.3	3.7	1.1
14. USSR	0.3	0.1	0.9	0.3	2.7	0.8
15. Others	54.9	19.8	61.6	19.9	60.0	18.6
Total	285.2	100.0	323.8	100.0	322.2	100.0

(Contd...)

Table 1 (Contd...)

Country	1965		1966		1967	
	Value	Percentage share	Value	Percentage share	Value	Percentage share
1. U.S.A.	77.1	20.4	97.2	21.0	128.5	21.7
2. Japan	35.8	9.5	50.1	10.8	74.2	12.5
3. U.K.	60.0	15.9	74.1	16.0	73.2	12.3
4. W.Germany	33.7	8.9	37.0	8.0	56.1	9.5
5. Italy	20.0	5.3	23.9	5.2	28.0	4.7
6. India	11.1	2.9	12.5	2.7	18.8	3.2
7. Lebanon	9.5	2.5	11.5	2.5	18.8	3.2
8. China	12.2	3.2	15.2	3.3	118.5	3.1
9. France	9.4	2.5	11.4	2.5	17.0	2.9
10. Australia	7.8	2.0	8.9	1.9	114.2	2.4
11. Holland	10.3	2.7	10.9	2.4	13.5	2.3
12. Iran	12.1	3.2	12.2	2.6	111.0	1.9
13. Iraq	4.1	1.1	3.8	0.8	10.6	1.8
14. USSR	5.8	1.5	8.4	1.8	10.5	1.8
15. Others	68.3	18.4	85.7	18.5	100.4	16.7
Total	377.2	100.0	462.8	100.0	593.3	100.0

Source: Yearly Bulletin of Foreign Trade Statistics, The Planning Board, State of Kuwait.

Till 1966, imports from the U.K. were the second highest but in 1967, Japan displaced the U.K to third place. Share of Japan in imports was 12.5 per cent in 1967 whereas its share in 1962 was 8.6 per cent. In terms of value Japan increased its share from $ 24.6 million in 1962 to $ 74.2 million during 1967. Main items imported from Japan in 1967 were canned fish and fish preparations, rubber tyres and tubes, cotton fabrics, woollen fabrics, synthetic fabrics, nylon fabrics, cement, iron & steel tubes, pipes & fittings; oil well drilling machinery, oil refinery machinery and equipment; electric apparatus for making, breaking or protecting circuits; insulated wires & cables, television sets, radios, transistorized radios, radio phonographs, passenger motor cars, lorries and trucks, auto spare parts, barges, buoys & other marine appliances; clothing and accessories; and tape recorders and parts.

Imports from the U.K. increased from $ 56.4 million to $ 73.2 million. The U.K's share declined from 19.8 per cent (in 1962) to 12.3 per cent in 1967. Principal items imported in 1967 were sweets, cigarettes, machine oils, prepared paints, enamels & varnishes, medicines & pharmaceutical products, soaps & detergents, woollen fabrics, carpeting & rugs, iron & steel tubes, pipes &

fittings, electric apparatus for making or breaking or protecting circuits; insulated wires and cables, telecommunication equipment & accessories, passenger motor cars, lorries & trucks, auto spare parts, aircraft spare parts and clothing and accessories.

West Germany's share increased from 8.7 per cent to 9.5 per cent . In terms of value the increase was from $ 24.7 million to $ 56.1 million. Main items imported in 1967 were canned liquid milk, medical & pharmaceutical products, iron & steel bars, Iron & steel tubes pipes and fittings, aluminium sheets, bars and pipes, parts & accessories of machinery, power plant machinery and equipment, electric apparatus for making, breaking or protecting circuits; insulated wires & cables, passenger motor cars, lorries and trucks, auto spare parts, sanitary and plumbing fixtures and fittings, furniture and clothing and accessories.

Imports from India increased from $ 9.9 million to $ 18.8 million. The increase amounted to about 90 per cent On the other hand India's relative share declined from 3.5 per cent to 3.2 per cent. Its share was declining till 1966 when it stood at only 2.7 per cent with imports valued at $ 12.5 million. Since 1966 with the rise in iron and steel products its share increased in 1967.

Main items imported from India in 1967 were fruit and vegetable juices, tea, cardamoms, cotton fabrics, carpets and rugs; iron and steel bars, iron and steel tubes, pipes & fittings, electric fans, jewellery of gold, silver and similar metals, bananas, onions and garlic, spices and seasonings, bags and sacks of textile materials and tin boxes.

EXPORTS

Oil is the single largest item of export. Other items with exception of ammonium sulphate, urea and fish appearing in export statistics of Kuwait are re-exports. Due to its peculiar geographical situation of Kuwait in the Gulf and liberal trade policies followed by its Government with traditional qualities of Kuwaitis as merchants, Kuwait has become a centre of trade. Imports into Kuwait are determined not only by local demand but by export prospects from Kuwait to neighbouring countries. In neighbouring countries like Iraq, Iran and Saudi Arabia, import duties are higher than those prevailing in Kuwait which enjoys a privileged position in tariffs on imports originating from Arab countries are about half of those on global imports. Traders in neighbouring countries prefer to import from Kuwait at reduced duties and, moreover, ready stocks are available in Kuwait and goods can be

moved quickly by land transport.

COMPOSITION

Of total exports, about 97 per cent is accounted for by the single item 'Oil'. Other items (in real sense re-exports) forming 3 to 4 per cent of total comprise a large number of sophisticated items like automobiles, television sets, transistorised radio, electrical appliances, auto spare parts, watches, woven fabrics, construction materials such as cement, iron and steel products, etc. Food articles are also re-exported.

Exports of Kuwait both oil and non-oil products are given in the table below:

Exports of Kuwait Since 1960

(million $)

Year	Oil Exports	Others	Total exports
1960	936	22	958
1961	919	24	943
1962	1029	23	1052
1963	1078	29	1107
1964	1185	33	1218
1965	1203	40	1243
1966	1266	38	1304
1967	1270	37	1307

The table above indicates that increase in exports has been about 36 per cent in 1967 compared with 1960. Increases in oil and other goods during the same period were about 36 per cent and about 68 per cent respectively. Export of oil is controlled by oil companies whereas export of other commodities is handled by traders. The modest decline in exports of non-oil commodities since 1965 is the result of disturbances (Arab-Israel hostilities) in neighbouring countries. The Gulf countries are developing their port facilities and it is expected that in future these countries will import directly from overseas countries rather than from Kuwait. Even if the Gulf countries stop importing through Kuwait in future, it will be exporting to Iraq, Saudi Arabia and Iran until or unless their import policies undergo a radical change, which is not likely by 1975-76.

Non-oil exports from Kuwait by major sections are given in the table below:

Exports other than oil from Kuwait by Sections

(million $)

Sections	1965	1966	1967
0. Food & live animals	11.26	5.98	5.04
1. Beverages & tobacco	10.50	10.12	9.19
2. Crude materials, inedible except fuels	0.96	1.33	1.40
3. Mineral fuels, lubricants and related materials	0.28	0.33	0.45
4. Animal & vegetable oils, fats	0.05	0.05	0.05
5. Chemicals	0.34	0.30	0.70
6. Manufactured goods classified chiefly by materials	3.44	4.95	3.84
7. Machinery & transport equipment	8.64	10.79	11.52
8. Miscellaneous manufactured articles	4.12	4.37	4.20
9. Others	0.54	-	0.21
TOTAL	40.13	38.22	36.60

Source: Yearly Bulletin of Foreign Trade Statistics, The Planning Board, State of Kuwait.

Major exports had been related to the category of machinery and transported equipment. Principal items under this category in 1967 were oil drilling machinery, graders and levellers, concrete mixing machinery, non-electric domestic appliances parts and accessories of machinery, television sets; radios, transistors and radio phonographs, passenger motor cars, lorries and trucks; auto spare parts and air-craft spare parts.

The main item under beverages and tobacco section was cigarettes which in value stood at $ 9.06 million. Principal items under food and live animals section were shrimps, rice, sugar and sugar cubes, tea, cardamoms and spices and seasonings. Other items of importance were woven cotton fabrics, blankets, travelling rugs and coverlets, cement (white, coloured, ordinary) chinaware, iron and steel bars, angles, iron and steel tubes, pipes and fittings, furniture, travel goods (hand bags and similar articles); clothes and accessories, watches, clocks and parts, undressed hides and skins and iron and steel scrap.

Direction

As stated earlier, non-oil exports from Kuwait are to its neighbouring countries, and products are not those indigenously produced but are re-exported. Principal countries along with their shares from 1962 are presented in the table below:

Direction of Exports other than oil of Kuwait

(million $)

Countries	1962	1963	1964	1965	1966	1967
1. Saudi Arabia	4.42	6.63	9.94	9.90	10.36	11.08
2. Iran	5.02	6.42	4.92	12.58	6.90	5.95
3. Arabian Gulf countries (excluding Qatar & Bahrain)	0.32	0.75	2.83	1.48	1.89	3.58
4. United Kingdom	0.73	0.71	1.30	1.44	3.51	2.84
5. Lebanon	1.28	1.20	1.83	2.09	2.27	2.42
6. Iraq	0.75	4.35	3.73	3.02	3.09	2.01
7. Qatar	1.16	1.16	1.67	2.32	2.93	1.89
8. U.S.A.	0.39	0.41	0.50	1.76	1.92	1.07
9. Bahrain	0.64	0.99	1.01	1.17	0.81	1.02
10. India	0.71	0.78	0.69	0.48	0.80	0.88
11. Jordan	1.51	1.23	0.43	0.44	0.49	0.76
12. Pakistan	0.38	0.46	0.58	0.41	0.28	0.53
13. U.A.R.	2.72	0.62	0.45	0.62	0.43	0.31
14. Other countries	2.84	3.67	3.41	2.42	2.54	2.26
TOTAL	22.69	29.39	33.29	40.13	38.22	36.60

Source: Yearly Bulletin of Foreign Trade Statistics, The Planning Board, State of Kuwait.

It is evident from the above table that neighbouring countries Saudi Arabia, Iran, the Gulf countries, Iraq, Qatar, and Bahrain accounted for $ 25.53 million out of total exports of $ 36.60 million (or about 70 per cent) in 1967. The most important customer was Saudi Arabia which accounted for about 30 per cent of total exports, followed by Iran and the Gulf countries.

It appears that there is no regular flow of exports from Kuwait to other countries.[1/] This pattern is likely to continue in future also. Exports depend on specific requirements of importing countries and their composition varies from time to time. Whenever, there is short supply in any nearby country, goods are imported from Kuwait to meet the shortage. In Kuwait ready stocks are available and goods can reach destination quickly. Geographical situation of Kuwait and non-existence of restrictions on imports and exports has made it a centre of international trade.

1/ It may be mentioned here that all goods re-exported from Kuwait are not included in foreign trade statistics. Some goods cross the boundary illegally and enter neighbouring States through land and some goods are purchased by tourists and taken out. Such transactions are not included in statistics and to this extent total re-exports are under-valued.

Chapter 5

TRADE WITH INDIA - TRENDS AND PROBLEMS

India has been enjoying a favourable balance of trade with Kuwait even after importation of crude oil in recent years. Imports and exports are summarised below:

	1965	1966	1967
i. Total imports (in million $)	377.2	462.8	593.3
ii. Imports from India (in million $)	11.1	12.5	18.8
iii. Imports from India as % to total	2.94	2.70	3.17
iv. Total Non-oil exports (in million $)	40.1	38.2	36.6
v. Exports to India (in million $)	0.5	0.8	0.9
vi. Percentage share of India in total non-oil exports	1.25	2.09	2.46

India's share in imports at 3.17 per cent in 1967 was slightly higher than in 1965 and 1966. It's share in non-oil exports from Kuwait in 1965, 1966 and 1967 was 1.25, 2.09 and 2.46 respectively. Although statistics were not available, it is felt that India improved its share both in imports and exports in 1968 and still enjoyed a favourable balance.

Imports from India into Kuwait by major commodity groups for 1965 and 1967 are summarised in the table below:

Imports from India into Kuwait by Sections

(million dollars)

Sections	1965			1967		
	Total imports	Imports from India	Percentage share of India to total imports	Total imports	Imports from India	Percentage share of India to total imports
0. Food & live animals	78.4	4.2	5.36	81.4	6.3	7.74
1. Beverages & tobacco	17.9	0.3	1.68	19.3	0.1	0.52
2. Crude materials, inedible except fuels	8.7	0.3	3.45	13.5	0.3	2.22
3. Mineral, fuels, lubricants, etc.	2.5	-	-	5.0	-	-
4. Animal fats, vegetable oil, etc.	1.1	0.1	9.09	2.0	Neg.	Neg.
5. Chemicals	13.2	0.2	1.52	23.3	0.3	1.29
6. Manufactured goods	81.8	3.7	4.52	136.4	8.9	6.52
7. Machinery & transport equipment	121.9	0.6	0.49	229.4	1.4	0.61
8. Miscellaneous manufactured articles	51.7	1.8	3.48	82.7	1.5	1.81

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9. Commodities not classified	Neg.	Neg.	Neg.	0.1	Neg.	Neg.
TOTAL	377.2	11.1	2.94	593.3	18.8	3.17

Source: Yearly Bulletin of Foreign Trade Statistics, The Planning Board, State of Kuwait.

From the above table it is seen that composition of imports from India in 1967 had undergone many changes compared to 1965.

It is of considerable interest to know in detail commodities imported from India. Principal commodities (value of which exceeded $ 75,000 individually in 1967) are arranged in descending order in the table below with their percentage shares in total imports.

Imports from India into Kuwait

('000 $)

S.No.	Commodities	1965 Total imports	1965 Imports from India	1965 Percentage share of India	1967 Total imports	1967 Imports from India	1967 Percentage share of India
1	2	3	4	5	6	7	8
1	Iron & steel bars twisted	7,756	666	8.6	12,111	4,127	34.1
2	Cardamom	1,907	1,793	94.0	3,439	3,346	97.3
3.	Iron and steel tubes, pipes & fittings	6,510	159	2.4	17,725	743	4.2
4.	Jewellery	3,090	873	28.3	6,384	714	11.2
5.	Carpeting & rugs excl. Persian carpets	2,094	312	14.9	4,177	706	16.9
6.	Electric fans	676	277	41.0	1,567	695	44.4
7.	Tea	2,974	693	23.3	3,526	679	19.3
8.	Cotton fabrics, woven	5,445	764	14.0	6,957	529	7.6
9.	Fruit juices & vegetable juices	917	47	5.1	1,581	419	26.5
10.	Bags & sacks of textile materials	60	23	38.3	524	341	65.1
11.	Onions and garlic	736	156	21.2	763	333	43.6
12.	Spices and Seasonings	343	235	68.5	645	324	50.2
13.	Tin boxes	331	326	98.5	297	296	99.7
14.	Bananas	695	471	67.8	619	292	47.2
15.	Water coolers	364	37	10.2	827	234	28.3

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16. Electric apparatus for making, breaking & protecting circuits	9,705	38	0.4	12,469	195	1.6
17. Clothing and accessories	17,583	168	0.9	26,711	186	0.7
18. Tents	64	34	53.1	239	168	70.3
19. Tarpaulins	90	79	87.8	195	155	79.5
20. Furniture	3,950	144	3.6	6,559	140	2.1
21. Wood shaped or simply worked	3,246	78	2.4	7,929	129	1.6
22. Footwear	4,422	242	5.5	5,493	127	2.3
23. Rubber tyres & automobile tubes of airplane	4,538	1	Neg	5,976	122	2.0
24. Sanitary and Plumbing fixtures & fittings	2,959	93	3.1	5,199	118	2.3
25. Coffee	899	144	16.0	1,018	113	11.1
26. Rice	8,494	159	1.9	4,027	108	2.7
27. Domestic utensils, iron &steel	747	142	19.0	632	106	16.8
28. Domestic utensils, aluminium	133	34	25.6	383	99	25.8
29. Edible nuts & coconuts	709	50	7.1	1,192	89	7.5
30. Incense	294	70	23.8	241	75	31.1
Other commodities	285,426	2,778	0.9	453,895	3,088	0.7
Total	377,157	11,086	2.9	593,300	18,796	3.2

Source: Yearly Bulletin of Foreign Trade Statistics,
The Planning Board, State of Kuwait.

It will be noted from the above table that 30 commodities accounted for about 84 per cent of total imports from India in 1967.

In chapter 6 some commodities (whose exports from India to Kuwait were significant) are discussed in detail.

Imports from India in 1968-69 are given in table 2.

Exports to India

Apart from crude oil other main items exported to India in 1967 were compressed gas cylinders, non-electric domestic appliances and water filters, passenger motor cars, motor cycles and their parts, aircraft spare parts, travel goods and clothing & accessories. The table below gives exports from Kuwait to India by commodities individual value of which exceeded $ 5,000.

Exports from Kuwait to India

('000 dollars)

	1965	1966	1967
1. Compressed gas Cylinders	8	61	100
2. Non-electric domestic appliances & water filters	9	103	148
3. Passenger motor cars	21	21	46
4. Motor cycles & parts	11	9	12
5. Aircraft spare parts	2	3	30
6. Travel goods, handbags	319	509	472
7. Clothes and accessories	11	22	15
8. Other commodities	94	75	53
TOTAL	475	803	886

Source: Yearly Bulletin of Foreign Trade Statistics, State of Kuwait.

Problems

Kuwait is a free market and customs duties at 4 per cent ad valorem on almost all goods except those exempted are comparatively lower than those prevailing in neighbouring countries such as Iraq, Iran and Saudi Arabia. Kuwait does not produce any commodity except oil and its products and thus has to import all its requirements. Goods from any part of world are available in this market at competitive prices. Exporters to Kuwait compete with each other. Kuwaitis with high per capita incomes have developed tastes and preferences for those commodities which appeal to them. Thus packing has assumed great importance. Indian packing is invariably of a lower standard compared to European countries or Japan.

In this affluent society, consumers prefer novel designs and patterns. Exporters who can change designs and patterns quickly get encouraging response from consumers. Since the market is small, Indian manufacturers were lagging behind in supplying small quantities at competitive prices. Thus India could not take advantage in supply of sophisticated goods. Major items supported from India to Kuwait have been either traditional commodities or building materials (which are supplied in bulk.

Another major problem is considerable delay in delivery of goods. This is mainly due to non-availability of shipping space as well as delay in manufacture. Shipping facilities between Kuwait and India are inadequate and existing shipping lines do not carry the entire cargo offered but prefer high-value high-rated cargo, with the result that often part-shipments are received in Kuwait which importers resent. It is suggested that at least two regular passenger services per week must be run between India and the Gulf and time schedule must be advertised in advance so that goods are made ready for shipment. Indian manufacturers on their part must take proper care in manufacturing goods in time.

Some manufacturers have set up their export offices in the Middle East but these are not located in Kuwait. These are mostly located either at Beirut or at Bahrein. It will be advantageous to set up a sales office in Kuwait for Gulf countries. Another alternative for boosting trade is that Indian manufacturers should appoint sole-agents who could undertake sales drive. The institution of middlemen like commission agents should be avoided as far as possible since it adds to costs and as the market is highly competitive, it will be difficult to sell at competitive rates. Most European and Japanese manufacturers have appointed sole-agents in Kuwait.

PART THREE

TRADE PROSPECTS FOR INDIA

Chapter 6

EXPORT PROSPECTS OF INDIVIDUAL COMMODITIES

An attempt is made here to pin point problems and prospects relating to some major commodities imported into Kuwait. Selection of these commodities was based on past data relating to imports and prospects for India in stepping up its share. Selected commodities are rice, tea, spices, electric fans, iron and steel products, cotton textiles, cotton yarn and thread, clothing and accessories insulated cables and wires, cement and auto spare parts.

Rice

Rice is popular staple diet of not only Kuwaitis but also of expatriates. Wheat flour is also consumed in the form of bakery products. Rice and meat are normally served for meals. Import of rice is not only to meet local requirements but a sizeable quantity is also re-exported to Iran, Syria, Jordan and the Gulf countries. Informed sources indicate that it will not be possible to grow rice in Kuwait and the entire demand will have to be met by imports.

Imports and exports of rice in quantity & value for 1965, 1966 & 1967 are given below:

Particulars	1965	1966	1967
Quantity imported (in tonnes)	49,515	46,673	18,548
Quantity exported(in tonnes)	25,072	14,674	5,549
Apparent consumption and stocks (in tonnes)	24,443	31,999	12,999
Rice imports in value	8.49	9.29	4.03
Rice exports in value	3.70	2.43	1.15

Source: Yearly Bulletin of Foreign Trade Statistics, The Planning Board, State of Kuwait.

Share of rice imports in total declined from about 2.3 per cent in 1965 to about 0.7 per cent in 1967. Decline both in relative and absolute terms was partly due to availability of heavy stocks in Kuwait and partly due to heavy fall in re-exports.

Due to peculiar situation in Kuwait it is difficult to estimate future demand for rice. No attempt has so far been made to estimate demand for rice for consumption. Re-export pattern depends on policies followed by neighbouring countries. It is, therefore, also difficult to estimate precisely demand for re-export purposes. According to discussions with trade and the Planning Board, it is assumed that Kuwait will continue to import about 20,000 tonnes of rice per year, of which

reexports will not form more than 30 per cent. In other words apparent consumption of rice would be around 14,000 tonnes per annum.

Principal sources of imports of rice in 1967 were Pakistan and the USA followed by India, Burma, China, and Thailand. Sources of import by value and quantity for 1965 and 1967 are given in the table below:

SOURCES OF SUPPLY OF RICE IN KUWAIT

(Quantity in tonnes)
(Value in '000 US $)

Country	1965				1967			
	Qty.	%age share	Value	%age share	Qty.	%age share	Value	%age share
Pakistan	23,506	47.47	4,330	50.98	8,396	45.27	1,861	46.21
U.S.A.	-	-	-	-	7,438	40.10	1,669	41.45
India	768	1.55	15[illegible]	1.87	714	3.85	108	2.68
Burma	-	-	-	-	507	2.73	84	2.09
China	141	0.28	220	0.24	499	2.69	89	2.21
Thailand	3,029	6.12	435	5.12	485	2.61	89	2.21
Ceylon	423	0.85	85	1.00	-	-	-	-
Iran	237	0.48	78	0.92	288	1.55	85	2.11
Other countries	21,411	43.25	3,387	39.87	221	1.20	42	1.04
TOTAL	49,515	100.00	8,494	100.00	18,548	100.00	4,027	100.00

Source: Yearly Bulletin of Foreign Trade Statistics, The Planning Board, State of Kuwait.

It is observed from the above table that Pakistan was the principal supplier of rice to Kuwait. Its share in terms of quantity was about 46 per cent in 1967. The USA emerged as a second large supplier. India retained its third position. Although India's share in terms of quantity nearly doubled in 1967 over 1965, yet in absolute terms, imports from India declined from 768 tonnes in 1965 to 714 tonnes in 1967. There does not seem to be any regular pattern. Whenever there is demand, rice is imported from wherever it is available.

Pakistan's "Peshawar Basmati" is very popular in Kuwait. China recently entered the market and its rice is the cheapest. Consumers who are quality conscious buy Pakistan rice. Indian rice through competitive in quality, is not popular because of its higher price than Pakistani rice on the one hand and absence of regular supply on the other. In India only State Trading Corporation of India (STC) is authorised to sell rice and importers in Kuwait were not happy in dealing with The State Trading Corporation. According to importers, the State Trading Corporation of India is not "business minded", and goods are often supplied short under the pretext that stocks are not

available whenever there is rise in prices. At enhanced prices, the STC delivers goods. This policy was very much resented by importers.

Kuwait is a free country and the market can be captured only if one can compete in quality, price and delivery. Information obtained during field visit indicates that if India can supply promptly and regularly at competitive prices, it can develop a good market for rice. It is also understood that STC does not permit importers in "Switch trade", that is to say, importers are not permitted to divert shipments to another country wherever it is advantageous to him. As is stated earlier, Kuwait is a small market, rice is re-exported considerably, and of ten merchants prefer to take deliveries in other countries, where they have branches, to make money. Importers feel that the STC should not compel importers to take delivery in a specified country, as for example Kuwait, because if rice from other suppliers arrives early, there is no gain in taking later deliveries in Kuwait and thus forcing prices down. Instead importers would like to make money somewhere else.

Prices of rice according to sources of imports during the first quarter of 1969 were as under:

Country of origin	C&F Price (in $ per tonne)	Retail price per kg. (converted into $)
1	2	3
1. Pakistan	200 to 230	0.35 to 0.40
2. U.S.A.	225 to 240	0.30 to 0.40
3. India 1/	180 to 240	0.20 to 0.35
4. China	175 to 190	0.20 to 0.30
5. Thailand	190 to 210	0.25 to 0.30
6. Singapore	205 to 230	0.25 to 0.35
7. Iran	250 to 280	0.40

1/ Most of imports from India were in medium & low qualities.

Numerous varieties of rice are imported. The richer section of population prefer Pakistani "Peshawar Basmati" type whereas expariates go in for cheaper varieties.

There is no restriction on imports of rice and it is exempted from custom duties. General restriction imposed is that it cannot be imported from Israel.

Most importers buy rice by filling tenders, especially so in case of Pakistan and India. One of the biggest importers of rice in Kuwait has opened a branch office in Karachi (Pakistan) which takes care of the tenders issued by the Pakistan Government along with its other activities. West Pakistan is not a consumer of rice but is a producer of good quality rice. This firm,

it seems, has invariably won tenders and has a monopoly in Pakistan rice imports into Kuwait.

Main hurdles in increasing India's trade are summarised below:

i) Conditions stipulated by the STC are often resented by importers.

ii) Part-shipments by STC are looked down upon by importers.

iii) The STC is not courteous in correspondence with importers. The STC, it is said, thinks they are doing a favour by exporting rice.

iv) The 'letter of credit' is always extended by importers since STC informs that stocks are not available. The extension of letter of credit is not liked by importers.

v) Supplies from India are invariably delayed.

vi) The price of Indian rice does not correspond with quality. It is understood that where quality is poor difference in price is meagre.

Importers feel that if the STC changed conditions of sale, a sizeable quantity can be lifted from India. The most resented conditions are (i) "subject to availability" clause and (ii) not allowing change in destination. Importers feel that the STC should not offer tender in case stocks are not available with it. It is also felt that the STC should not restrict point of delivery since it involves unnecessary transportation and other

costs if once goods are received at Kuwait and then re-exported. The STC may impose this condition for one or two countries but it should not impose a global restriction.

Kuwait is a good market for Indian rice. India can increase its exports of rice to Kuwait if existing drawbacks could be removed. Moreover, export of rice is controlled by the STC and thus Government policies play an important role. Most of obstacles are at the Indian end which can be overcome.

Tea

Tea is one of popular beverages in Kuwait. The "Arab Coffee" or Cardamom Coffee is the traditional drink in Arab countries. Tea is commonly consumed without milk and is taken in small glass tumblers. Colour and flavour of decoction are the deciding factors for purchase of tea by Kuwaitis. Europeans in Kuwait prefer "tea in bags" whereas a large section of people prefer loose tea. Most consumers buy loose tea in Wooden cases of 2 kilograms and above. Packing of tea in wooden cases adds to costs but finds ready market in Kuwait.

The Kuwaiti consumer is quality conscious. The most popular variety of tea is "Pekoe" grade, or "flowery" tea. Indian tea was very popular during the last decade but now consumers prefer tea from Ceylon. Tea from India is imported in wooden boxes by importers who give it their own "brand name". Importers undertake publicity and popularise their own brands. The market being brand conscious, once a particular brand is preferred, consumers do not bother about the country of origin. This has resulted in many brands of tea. Ceylon has taken advantage of rising prices of Indian tea since 1948 and has gained firm ground in Kuwait. The price advantage coupled with vigorous propaganda undertaken by exporters has made Ceylonese tea comparatively more popular than Indian tea.

The entire demand for tea either for consumption or for re-export is met by imports. It is understood that a portion of tea imported is also smuggled out and does not figure in trade statistics. Estimates of quantities smuggled out were not available and hence it is difficult to estimate correctly apparent tea consumption in Kuwait. Imports and re-exports of tea are given below:

Particulars	1965	1966	1967
Quantity imported (in tonnes)	2,755	4,505	3,527
Quantity exported (in tonnes)	979	977	779
Apparent consumption (including smuggled out portion of tea) (in tonnes)	1,776	3,528	2,748
Value of imported tea (in million $)	2.97	4.94	3.53
Value of re-exported tea (in million $)	0.94	0.90	0.72

If it is assumed that imports minus re exports represents apparent consumption of about half a million population, per capita consumption of tea in Kuwait worked out to about 5.5 kilograms for 1967. Assuming that per capita annual consumption would be about 6 to 7 kilograms by 1974, total apparent consumption for estimated population of about 635,000 would be between 3,800 tonnes and 4,500 tonnes. To this figure re-exports should be added to arrive at the level of imports of tea. Re-exports in 1965 were as high as 979 tonnes but declined to 779 tonnes in 1967. Assuming that 700 to 800 tonnes would be re-exported in 1974, imports of tea by 1974 would very roughly vary from 4,500 tonnes to 5,500 tonnes. Imports of tea in 1974 in terms of value would be 5 to 6 million dollars.

Principal suppliers of tea to Kuwait are Ceylon and India. These two countries together accounted for about 95 per cent of the total imports in 1967. Other suppliers are China, the U.K., Formosa and Iran. Imports of tea by sources is given in the table below:

Sources of Supply of Tea to Kuwait

(Value in '000 dollars)
Quantity in tonnes

Country	1965		1966		1967	
	Value	Qty.	Value	Qty.	Value	Qty.
Ceylon	2,163	2,118	3,812	3,542	2,614	2,775
India	693	570	898	752	679	599
China	5	5	85	106	37	33
U.K.	78	34	67	21	99	31
Iran	15	16	25	17	14	13
Formosa	-	-	23	59	12	17
Pakistan	15	12	-	-	2	2
Other countries	-	-	30	8	69	57
Total:	2,974	2,755	4,940	4,505	3,526	3,527

Source: Yearly Bulletin of Foreign Trade Statistics, The Planning Board, State of Kuwait.

It is evident from the above table that Ceylon's share in 1967 was about 79 per cent as against about 77 per cent in 1965. Ceylon increased its exports of tea from 2,168 tonnes to 2,775 tonnes registering an increase of about 31 per cent. On the contrary, India' share in the

declined from about 21 per cent in 1965 to about 17 per cent in 1967 although imports from India increased from 570 tonnes to 599 tonnes indicating an increase of about 5 per cent. It appears that Ceylon has been increasing its share mainly at India's exports.

According to information gathered from importers, price of Indian tea[1/] is higher than that of Ceylonese tea. Most consumers have developed taste for Ceylon's medium grade tea. Thus, preference for Ceylonese tea, coupled with vigorous publicity compaigns undertaken by Ceylonese exporters, led to decline in India's share. The market being brand conscious, many importers of Indian tea sell tea under their own brand. Since there are numerous brands of Indian tea available in the market, it is not possible to undertake a combined publicity campaign.. Indian can increase its share provided large exporters from India popularise a smaller number of brands through vigorous publicity. Another difficulty is disregard for proper packing of tea

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1/ The quality of Indian tea, it was revealed, is superior to Ceylonese tea.

exported to Kuwait. Exporters are used to packing tea loose in big cases when it is purchased in loose by consumers. Contrary to this practice, Kuwaiti consumer prefers loose tea packed in wooden case weighing 2 kilogram to 5 kilograms. No doubt, packing in small wooden cases would increase costs, but consumers, it appears, are willing to bear the additional cost. Some local brands of Indian tea are packed in desired quantities but packing is very much inferior which is resented by consumers as they have been getting better packing with no additional cost.

Kuwait is a free market. Customs duties levied on imports of tea is 4 per cent ad valorem. There are no restrictions.

Import prices during April - May, 1969 of Indian and Ceylonese tea by different grades were as under:

Grade	C&F prices (in U.S.$ per kilogram)	
	Ceylonese	Indian
High grade	1.50 to 1.75	1.70 to 2.00
Medium grade	1.00 to 1.10	1.15 to 1.20
Low grade	0.75 to 0.95	0.85 to 1.00

Retail prices in May 1969 of medium grade tea by different sizes of packing were as under:

Packing	Retail price in US$ per packing	
	Ceylonese	Indian
2.25 Kg	2.5	2.8
2 Kg.	2.3	2.5
2 x 4 Kg.	8.7	9.2

(Note: Local prices are converted into $)

From above figures it is seen that Indian prices (C&F as well as retail) are higher than the corresponding prices of Ceylonese tea.

Importers stated that bulk of tea (about 75 to 80 per cent) imported into Kuwait is of medium grade. Indian exporters, it is understood, are doing well as regards high grade tea. It is only in medium grade tea India faces severe competition notably from Ceylon. Market for low grade tea is captured by China and Formosa and to some extent by Iran.

The following steps are suggested by Indian importers of Indian tea in Kuwait to increase sales.

1. Loose tea must be packed in wooden cases weighing 2 kilograms and multiples of 2 kilograms.

2. Packing must be attractive and carry an attractive "brand" name. It would be advantageous if markings and printing are in Arable as well as in English.

3. Vigorous propaganda should be undertaken either by exporters or by importers who should be compensated.

4. Only a small number of brands of Indian tea should be popularised as against numerous brands now available.

5. Quality of each brand must be maintained at any cost. Once a particular brand earns a bad name, it cannot be sold in this quality-conscious market.

6. Deliveries supply must be prompt.

7. Abrupt variations in prices must be avoided.

Spices

Kuwaitis as well as expatriates from India and Pakistan consume spices and seasonings. Of total import of spices valued at $ 40,841 in 1967, cardamoms alone amounted to $ 34,392 or six per cent.

Spices and seasonings are imported for local consumption as well as for re-export to neighbouring countries. Cardamoms in the Arab countries, are mainly used for preparation of "Arab Coffee"[1/]. Amongst Arabs,

1/ Decoction of coffee and cardamoms (mixed in the proportion of 4:1) is obtained by boiling these two ingredients together. Sometimes other ingredients such as saffron, cloves and ginger are also added for preparing Arab coffee. Arab coffee is served (without milk and sugar) in very small quantity and is gulped by consumers.

drinking of cardamoms coffee (Arab Coffee) is a universal habit. Cardamoms coffee can be taken at any time and its serving indicates Arab hospitability towards their guests. Traditionally, Arab coffee was served to all guests but now its importance is declining. It is still common after meals and is also served to special guests. Tea and coffee without cardamoms has become popular amongst educated section of population. It is expected that in future importance of cardamoms coffee will decline, and cardamoms content will be reduced.

Spices and seasongs are also used in culinary preparations particularly rice and mutton curry preparations.

Spices are not produced locally and the entire demand is met by imports. Demand for spices also includes re-exports to neighbouring countries. Annual imports and re-exports separately for cardamoms and other spices and seasonings are given below:

		1965	1966	1967
A. Cardamoms				
i.	Quantity imported (in tonnes)	295	328	512
ii.	Quantity re-exported(")	96	57	64
iii.	Apparent consumption(")	199	271	448
iv.	Value of imports (in million . $)	1.91	2.79	3.44
v.	Value of re-exports (")	0.32	0.29	0.44
B. Other spices and seasonings				
i.	Quantity imported(in tonnes)	648	842	1274
ii.	Quantity re-exported(")	383	401	778
iii.	Apparent consumption(")	265	441	496
iv.	Value of imports (in million . $)	0.34	0.47	0.64
v.	Value of re-exports (in million . $)	0.10	0.15	0.28

Cardamoms constitute a high valued commodity and a good deal of smuggling is taking place. Trade enquiries reveal that normal consumption of cardamoms in Kuwait varies between 100 to 120 tonnes per annum, whereas apparent consumption as revealed by foreign trade statistics of the State of Kuwait amounted to 199 tonnes in 1965, 271 tonnes in 1966 and as high a figure as 448 tonnes in 1967. It is revealed by traders that the large quantities of cardamoms are smuggled out to Saudi Arabia. Kuwait is connected by land route to eastern part of Saudi Arabia. Custom duties levied on cardamoms in Kuwait is roughly at par with those imposed in Saudi Arabia, but eastern part of Saudi Arabia is nearer to

Kuwait than main importing centre in Saudi Arabia (Jeddah). There is considerable saving in cost of transportation if goods are imported at Kuwait for eastern part of Saudi Arabia. Cardamoms, being the high valued commodity, are smuggled to Saudi Arabia through the Neutral Zone (administered jointly by Governments of Kuwait and Saudi Arabia). Apart from Saudi Arabia, cardamoms are also smuggled to Iraq and Iran where import duties are heavier than those imposed in Kuwait. It is understood that Kuwait is a big centre for smuggling cardamoms to neighbouring countries. During field visit an attempt was made to ascertain extent of smuggling and the impression gathered was that during 1968 about 50 per cent of cardamoms imported found its way to neighbouring countries.

According to published trade statistics, re-exports of cardamoms in 1965 formed 33 per cent of total imports while in 1967 they declined to about 13 per cent.

As regards 'other spices and seasonings', Kuwait also re-exports sizeable quantities to neighbouring countries through normal trade channels. Re-exports of 'other spices and seasonings in 1967 formed about 61 per cent of total imports as against about 59 per cent in 1965. It can be safely presumed that in coming years also about 60 per cent of 'other' spices and seasonings imported would be for re-export. Since spices are not high valued items, in extent of smuggling, it is stated is negligible, although in neighbouring countries customs duties levied are much higher than in Kuwait.

Principal source of supply of cardamoms to Kuwait is India, Ceylon and Guatemala. The table below indicates imports of cardamoms by quantity and value by sources of supply:

Sources of Supply of Cardamoms to Kuwait

(Value in million . $)
(Quantity in tonnes)

Country	1965		1966		1967	
	Value	Qty.	Value	Qty.	Value	Qty.
India	1.79	278	2.58	306	3.35	496
Ceylon	0.06	9	0.15	15	0.05	8
Guatemale	0.02	3	Neg.	1	Neg.	1
Other countries	0.04	5	0.06	6	0.04	7
TOTAL	1.91	295	2.79	328	3.44	512

Source: Yearly Bulletin of Foreign Trade Statistics, The Planning Board, State of Kuwait.

Kuwait imported about 97 per cent of cardamoms from India in 1967 whereas in 1965 it was about 84 percent. Compared with 1965 while overall imports in 1967 increased by 74 percent, imports from India increased by 78 percent.

Indian cardamoms, though smaller in size compared to those from Guatemala, are very much liked by consumers due to better flavour. They have developed a taste for Indian cardamoms and in future also, India could continue to dominate the market.

Importers of Indian cardamoms complained that quality is deteriorating in the sense that supplies are not of uniform size and often are thrip infested.

Presence of thrip or insect-marks on the surface of cardamom gives an ugly look. Other complaints were that supplies are not made in time and to cater to the needs of the market importers are forced to maintain large stocks. Often cardamoms are brought by Indian expatriates. Importers feel that the Government of India should impose restrictions on carrying of cardamoms by Indians who return to Kuwait after spending their holiday in India.

Packing of cardamoms is very important. Consumers have developed a tendency for getting their needs in beautiful packets. It was suggested by dealers that Indian exporters should pack cardamoms in polythene bags of different sizes with attractive markings in Arabic on each bag. Exporters from Guatemala are following this technique to capture Kuwaiti market.

C & F prices of cardamoms during April - May 1969 in Kuwait were as under:

Country of Origin	C&F prices in $ per kilogram
India	6.75 to 7.25
Ceylon	6.00 to 7.00
Guatemala	7.50 to 8.00

Customs duty levied on imports of cardamoms in Kuwait is 4 per cent ad valorem and when re-exported, 2 per cent of the duty is refunded.

Sources of supply of "other spices and seasonings" during the period 1965-1967 are given in the table below:

Sources of supply of 'other spices and seasonings'

(Value in '000 ₹)
(Quantity in tonnes)

Country	1965		1966		1967	
	Value	Qty.	Value	Qty.	Value	Qty.
India	234.9	475	254.8	526	324.0	725
Singapore	16.0	24	16.0	21	132.4	247
Malaysia	8.4	12	19.6	26	49.3	83
China	14.8	23	82.3	127	36.4	52
U.S.A.	9.2	8	5.3	5	28.0	32
Tanzania	-	-	-	-	21.6	27
Other countries	60.0	106	87.6	137	53.1	108
TOTAL	343.3	648	465.6	842	644.8	1274

Source: Yearly Bulletin of Foreign Trade Statistics, The Planning Board, State of Kuwait.

Imports of 'other spices and seasonings' in quantity increased by about 97 per cent in 1967 compared with 1965. Re-exports in 1965, 1966 and 1967 formed 59 per cent, 48 per cent and 62 per cent respectively. They were mainly to Iran and Saudi Arabia.

Supplies of spices and seasonings other than cardamoms were obtained from India, Singapore, Malaysia, China and the U.S.A. India's share in 1967 was about 57 per cent as against 73 per cent in 1965. Although its relative share declined, imports by about 53 per cent from 475 tonnes in 1965 to 725 tonnes in 1967. Shares of Singapore and Malaysia in 1967 were about 19 per cent, and 7 per cent respectively.

Quality of Indian spices is better than those from other countries. Consumers have developed taste for some seasonings from the U.S.A., and China. The only drawback about Indian supplies, according to the importers in Kuwait, was delay in shipments. Moreover, packing of seasonings also plays an important part. Attractive bottles with beautiful labels attract attention. Indian seasonings are very much liked by consumers but appearance of bottles is not attractive. In regard to spices also, packing is very important. India having increased its share must maintain its position by supplying goods in time and by improving packing.

Import trade is in the hands of private traders who also deal in other foodstuffs. Most established Indian import houses in Kuwait (in partnership with Kuwait's) deal in Indian spices along with other items. Indian

importers in Kuwait have well established contacts with exporting firms in India while many of them have branch offices. They are in a position to import from India on "documents against acceptance or "Documents against payment" basis rather than conventional methods of opening 'letters of credit'. It is understood that about half of imports of spices is handled by Commission Agents. Some importers also act as commission agents for other wholesalers.

To improve India's exports, following suggestions must be constantly kept in view:

i. There should be no delay in shipments.

ii. Quality must be maintained.

iii. Packing should be improved. Polythene bags of various sizes and attractive bottles with Arabic markings will help in increasing exports.

iv. Unauthorised entry of spices through passengers visiting Kuwait by ships must be curtailed if it cannot be stopped completely since it depresses prices.

v. The Cardamom Board in India must closely watch changes in consumption habit of cardamoms in Kuwait. It would be worthwhile to supply Kuwait with "instant cardamoms coffee powder" having right proportions of coffee and cardamoms to suit taste of Kuwaitis. This will not only increase exports of cardamoms but also of coffee powder.

vi. Cardamoms exported from India must be free from thrip marks and of uniform size. The green colour of cardamoms is also preferred in the market. Packing in polythene bags will help in maintaining the colour.

Electric Fans

Geographical situation at north-west extreme of the Arabian Gulf with desert climate is responsible for hot and humid weather. During summer months, the day temperature rises as high as 52°C. The night temperature, however, is tolerable and during most of the period it is quite pleasant. The climate conditions necessitate use of electric fans for about 7 to 8 months in a year. The richer section of population in Kuwait have shifted from Electric fans to domestic air conditioners. Newly constructed Government buildings are now centrally air conditioned. Apart from these, most buildings are equipped with electric fans. Desert coolers and water coolers are also used but are not popular in Kuwait. Kuwaitis either prefer electric fans or air conditioners.

Popularity of electric fans and air conditioners is aided by availability of very cheap electric power. Installed electric generating capacity at the end of 1963 was only 0.16 million kW. whereas by the end of 1967 it has gone up to 1.335 million kW, a tremendous increase. During the plan period 1967-68 to 1971-72, investment envisaged for electricity generation and for distribution is about $ 69 million and $ 110 million

respectively. Bulk generation of thermal power has resulted in reduction of cost, and consequently retail price per unit (1 kWh) was lowered from KD 0.006 in December 1964 to KD. 0.002 in December 1967. Kuwait has now the lowest unit price of electricity in the world.

There is no local production or assembling of electric fans in Kuwait. The entire demand for local use and for re-exports is met by imports. Imports and re-exports of electric fans during the period 1965-67 are given below:

	1965	1966	1967
Total number of electric fans imported	40,755	51,449	103,535
Total number of electric fans re-exported	5,917	4,392	7,672
Percent of exports to imports	14.5	8.5	7.4

It is observed from the above statement the percentage share of re-exports in total imports declined but the number of fans exported increased. In coming years, according to importers, exports would be between 10 per cent and 15 per cent of imports. According to them the period between 1964 to 1967 was an abnormal one due to political disturbances in the Middle East.

The direction of re-exports of electric fans has undergone changes. Iran, which was one of the best markets, has started its own production and restrictions are imposed on imports. Saudi Arabia has increased its imports from Kuwait. The developing countries in the Gulf area and Iraq would continue to import from Kuwait. Supply of electricity is being increased in Gulf areas and this will stimulate imports of electric fans since the area is hot and humid during most part of the year.

According to information given by traders, demand for table fans and ceiling fans in 1968-69 was equal but it is felt that in the near future, demand for ceiling fans would be more than that for table fans. In terms of percentages, imports of ceiling fans would be about 6 per cent of total imports. According to information gathered during the field visit, the present level of imports would go up by at least 30 per cent by 1974-75. Thus, it is expected that about 140,000 electric fans would be imported by Kuwait by 1974-75 out of which about 15,000 to 20,000 electric fans would be re-exported.

Imports of electric fans by value and weight for the period 1965-67 are given below:

	1965	1966	1967
Value of imported fans (in '000)	676.5	821.5	1,566.9
Value of fans re-exported (in '000)	81.8	47.6	64.1
Quantity of imported fans (in tonnes)	640	768	1,652
Quantity of fans re-exported (in tonnes)	60	59	81

Electric fans imported increased in value from about $ 0.7 million in 1965 to about $ 1.6 million in 1967, registering an increase of about 132 per cent, whereas increase in number was about 154 per cent and increase in terms of weight was 158 per cent. This reveals that whereas the type of fans imported in Kuwait did not undergo change, prices of fans were lower in 1967 than those prevailing in 1965.

Sources of supply of electric fans in 1965, and 1967 are given in table below:

Source of Supply of Electric Fans

(Value in '000 $)
(Weight in tonnes)
(Quantity in numbers)

Country	1965			1967		
	Value	Weight	Qty.	Value	Weight	Qty.
India	277.5	342	17,568	695.0	932	51,415
Hong Kong	160.2	168	10,910	342.7	343	21,962
Japan	114.8	59	5,544	230.2	104	11,893
Pakistan	19.9	26	11,305	157.1	195	10,944
U.K.	44.8	16	1,675	89.9	43	3,671
Other Countries	59.3	29	3,753	52.0	35	3,650
TOTAL	676.5	640	40,755	1,566.9	1,652	103,535

Source: Yearly Bulletin of Foreign Trade Statistics, The Planning Board, State of Kuwait.

It is seen from the above table that India has dominated the market. India's share in 1967 was about 44 per cent as against about 41 per cent in 1965. Imports from India increased from about $ 0.28 million to about $ 0·7 million increasing by about 150 per cent. As stated earlier, increase in imports of fans during this period was about 132 per cent. This indicates that Indian fans are quite popular in Kuwait. It is understood that Indian supplied mainly ceiling fans. Indian table fans are not popular. Similar is the case in respect of fans imported from the U.K. and Pakistan. Main competitors

in ceiling fans are Pakistan and the U.K. Hong Kong and Japan concentrate on table fans and hold a virtual monopoly. Importers of fans from Hong Kong and Japan approximately doubled in value in 1967 compared with 1965 as against two and a half times increase in Indian fans. Thus it can be safely stated that Indian ceiling fans are in good demand. In near future as demand increases, it is hoped India would maintain its top position.

Indian exporters can certainly do better especially due to nearness and less severity in competition. They should also make effort to supply table fans. Pedestal fans are also likely to become quite popular. As stated earlier, facilities for assembly and servicing in Kuwait are not adequate. It will be to the advantage of Indian exporters if such facilities are made available. At present, complete fans with decent and attractive finish are imported. To maintain attractiveness it is essential that packing must be of good quality so that fans are not damaged and attractive look is retained. Traders say that if prices of table fans are reduced, India can gain a sizeable share. Moreover, Kuwait is a rich market and consumers prefer novel designs and excellent finish. India should bring out new models with attractive appearance to increase its share. Further

it might be advantageous if different exporters in India set up sole agencies and service centres. Sales promotion activities should be undertaken by sole agents, who will have advantage of language and market. Japan, Hong Kong and the U.K. have appointed sole-agents who import fans on their own account and supply to retailers. They also undertake promotion activities and are assisted by engineers sent by exporters. Retailers normally obtain requirements on credit which varies from 3 to 4 months.

There are no import restrictions and the market is free and competitive. The customs duty at 4 per cent ad valorem is quite low compared to the customs duties levied in neighbouring countries. Being an Arab country, Kuwait in its re-exports to Arab countries gets an advantage by paying half of customs tariff levied by them on imports from third countries. Further the Government of Kuwait refunds half of customs duties paid on imports if re-exported India, thus, can increase its exports to neighbouring Arab countries through Kuwait.

Prevailing prices of fans during April-May 1969 are given below. C & F prices include also 3 per cent commission for agents. The brand name is not as important as the country of origin. Every country has numerous brands with different ranges in prices to suit every type of consumer. Japan has popularised its brands and so is the case with India. Famous Japanese brands are National, Hitachi and Sanyo whereas popular Indian brands are Usha and Orient. Brand names from other countries are not popular and the country of origin is normally stated for effecting sales.

Prices of ceiling fans (56" sweep) in Kuwait

(Price in $)

Country of Origin	C&F Price per piece (including commission)	Retailprice per unit
India	14 to 18	22 to 24
Hong Kong	15 to 19	24 to 25
U.K.	18 to 22	24 to 28
Pakistan	15 to 20	24 to 26

Prices of table fans - 16" Oscillating without Pedestal Stand

(Price in US$)

Country of origin	C&F price per piece (including commission)	Retail price per piece
India	14 to 15	20 to 22
Japan	13 to 18	20 to 23
Hong Kong	12 to 16	20 to 21

It will be noted that prices of Indian ceiling fans in Kuwait are quite competitive compared with those of the prices of fans of other makers whereas in oscillating table fans they are about the same. Fans from the U.K. are the costliest.

To retain hold on Kuwaiti market in regard to ceiling fans and to increase sales of oscilating table fans Indian exporters must keep in mind the following points.

i. Kuwaiti market is competitive and quality and price (relative to quality) are very important.

ii. Steps must be taken to appoint sole agents who should also undertake promotion activities.

iii. A servicing centre must be set up. It will boost sales and goodwill.

iv. Packing must be of high quality so that outward appearance of fans is not spoiled.

v. Indian manufacturers should take care of latest designs supplied by competitors especially in case of table fans. Attractive designs and colours fetch higher prices.

vi. Goods must be supplied in time and there must be sufficient stocks at beginning of the season.

IRON AND STEEL PRODUCTS

Imports of iron and steel into Kuwait comprise items such as bars (twisted, flat, square shaped, and angled), beams, sheets (uncoated, galvanized), wires tubes, pipes and fittings, structurals, doors and windows, reservoir tanks, wire,cables and ropes; gauze, netting, fencings of wire, nuts, bolts, rivets, domestic utensils, and locksmith wares. Import of different types of iron and steel products during the period 1965-67 are given in the table below:

Imports of Iron and steel products in Kuwait

(Value in '000 US$)
(Quantity in tonnes)

S.No.	Items	1965 Value	1965 Qty	1966 Value	1966 Qty.	1967 Value	1967 Qty.
1.	Bars, twisted	7,756	78,009	8,610	91,165	12,111	129,243
2.	Bars, flat	441	3,512	689	5,933	1,092	9,251
3.	Bars, square shaped	115	934	395	3,092	651	5,214
4.	Bars, angled	2,196	9,079	1,867	9,210	2,006	9,461
5.	Beams	130	921	420	3,329	518	3,959
6	Sheets uncoated	1,007	6,714	4,493	31,120	2,223	13,453
7.	Galvanized sheets	1,238	7,176	1,375	8,222	2,525	14,879
8.	Wire	176	700	252	1,061	263	1,083
9:	Tubes, pipes & fittings	6,510	26,639	8,834	37,933	17,725	67,450
10.	Finished structural parts & structures	23	65	-	-	22	77
11.	Door & Windows	784	1,324	600	1,101	388	613
12.	Tanks	643	1,979	362	758	828	1,923
13.	Wire cables & ropes (not insulated)	140	277	185	358	169	301
14.	Gauze, metting Grill, fencing, etc.	249	1,024	517	1,848	365	1,275
15.	Nails, screws, nuts, rivets, etc.	334	1,043	495	1,875	756	2,389
16.	Domestic utensils	747	894	844	1,015	633	1,006
17.	Locksmith wares	1,033	954	1,548	1,310	1,722	1,331
	TOTAL	23,522	141,244	31,486	199,330	43,997	262,908

Source: Yearly Bulletin of Foreign Trade Statistics,
The Planning Board, State of Kuwait.

It is seen from the above table that out of total imports valued at $ 593 million in 1967, iron and steel products (listed above) amounted to about $ 44 million or about 7.4 per cent. In 1967 imports of iron and steel products increased by 87 per cent compared with 1965.

The entire demand for iron and steel products with exception of utensils and water storage tanks is met by imports. Shares of main items in total imports of iron and steel products during the period 1965-1967 in terms of value are given in the table below:

Percentage share of main items (in terms of value) to total imports of Iron and Steel products in Kuwait.

Items	1965	1966	1967
Tubes, pipes and fittings	25.51	28.06	40.29
Bars, twisted	30.39	27.35	27.53
Galvanized sheets	4.85	4.37	5.74
Sheets, uncoated	3.95	14.27	5.05
Bars, angled	8.60	5.93	4.56
Locksmith wares	4.05	4.92	3.91
Bars, flat	1.73	2.19	2.48
Tanks	2.52	1.15	1.88
Nails, Screws, Nuts, rivets, etc.	1.31	1.57	1.72
Bars, square shaped	0.45	1.25	1.48
Beams	0.51	1.33	1.18
Other Items	16.13	7.61	4.18
TOTAL	100.00	100.00	100.00

It is evident from the above table that about 40 per cent of total imports of iron and steel products in 1967 was accounted by tubes, pipes and fittings. In terms of value, this item increased from $ 6.5 million in 1965 to $ 17.7 million in 1967, registering an increase of about 172 per cent. Tubes, pipes and fittings are mainly used for carrying water and gas to buildings from main sources of supply. With high tempo on construction activity in Kuwait, demand for tubes, pipes and fittings has increased heavily. A part of imports is also re-exported to neighbouring countries. Apparent consumption during the period 1965-1967 was as under:

	1965	1966	1967
Total quantity imported (in tonnes)	26,639	37,933	67,450
Quantity re-exported (in tonnes)	1,930	4,891	1,536
Apparent Consumption (in tonnes)	24,709	33,042	65,914

Information gathered during the field visit indicate that there were heavy imports in 1967 and 1968 and hence huge stocks accumulated. Construction activity in Kuwait and in neighbouring States slackened during these years and it is likely that during current period imports of tubes, pipes and fittings will be much less than in 1967. Traders say that demand would be around 50,000

tonnes in 1974-75, but of course much depends on the anticipated level of construction activity and the political conditions in the Middle East.

The bulk of demand for tubes, pipes and fittings in 1967 was met by imports from the USA, Japan, West Germany, the U.K. and the USSR as indicated in the table below:

Sources of Supply of I&S tubes, pipes and fittings

(Value in '000 - $)
(Quantity in tonnes)

Country	1965		1966		1967	
	Value	Qty.	Value	Qty.	Value	Qty.
USA	1,098	1,918	2,113	5,849	5,943	8,719
Japan	1,855	9,608	3,178	16,648	3,487	17,144
W.Germany	420	1,054	353	951	2,951	13,542
U.K.	1,014	3,001	1,413	4,128	1,457	4,676
USSR	385	2,764	422	3,438	1,008	8,198
Italy	428	1,424	622	2,490	796	3,336
India	159	1,109	109	745	743	5,254
France	466	1,890	86	303	358	1,699
Other countries	685	3,871	538	3,381	982	4,882
TOTAL	6,510	26,639	8,234	37,933	17,725	67,450

Source: Yearly Bulletin of Foreign Trade Statistics, The Planning Board, State of Kuwait.

Shares of different countries in total imports of tubes, pipes and fittings indicate changes from time to time both in terms of value and quantity. It was revealed by importers that foreign construction companies engaged in Kuwait prefer imports from their native countries. It was also stated that this trend is likely to continue even in coming years until or unless goods of similar quality are available cheaper from other countries.

Share of India in 1967 in total imports in terms of value was 4.1 per cent compared to about 2.4 per cent in 1965. In absolute terms, imports from India went up from about $ 0.16 million in 1965 to about $ 0.74 million in 1967. It was stated by importers that imports from India were higher in 1968 than in 1967. Statistics for 1968 were not available.

Next to pipes, tubes and fittings iron and steel bars (twisted) are important. Import has increased from about $ 7.8 million in 1965 to about $ 12.1 million in 1967, an increase of about 55 per cent. In relation to total imports of iron and steel products, share of twisted bars declined from about 30.4 per cent in 1965 to 27.6 per cent in 1967. They are mainly used in construction of houses, multi-storeyed buildings and for drilling operations. Other types of iron and steel bars

(flat, angled, square shaped and beams) are also used in construction. The bulk of the demand for all types of iron and steel bars is related to construction activity in Kuwait.

Imports of iron and steel bars other than twisted bars increased from $ 2.9 million in 1965 to $ 4.3 million in 1967, percentage increase being about 48. In total imports of iron and steel products their share declined from 11.29 per cent to 9.70 per cent. Since construction activity is nearing saturation point, their share is expected to decline further in coming years.

Apart from usage of iron and steel bars of all types in construction, a part of imports is also re-exported to neighbouring countries. Re-exports of different types of iron and steel bars in 1965 and 1967 are given in the table below:

Re-exports of Iron and steel bars

(Quantity in tonnes)

Items	1965				1967			
	Imports	Re-exported	Apparent consumption	Re-exports as percentage of imports	Imports	Re-exports	Apparent consumption	Re-exports as percentage of imports
Twisted	78,009	1,989	76,020	2.55	129,243	3,059	126,184	2.37
Angled	9,079	524	8,555	5.77	9,461	349	9,112	3.69
Flat	3,512	88	3,424	2.51	9,251	107	9,144	1.16
Squareshaped	934	7	927	0.75	5,214	2	5,212	Neg.
Beams	921	36	885	3.91	3,959	210	3,749	5.30
TOTAL	92,455	2,644	89,811	2.86	157,128	3,727	153,401	2.37

In near future exports from Kuwait would be mainly to north eastern Saudi Arabia since main ports - Jeddah and Dammam are far off than the port at Kuwait which is connected by land. Saving in cost of transportation from Saudi main ports to border with Kuwait (eastern Saudi Arabia) is a determining factor for imports from Kuwait. 1/ Other neighbouring countries in the Gulf are developing their own deep sea ports and will import in future directly from abroad rather than through Kuwait.

As seen from the table below main suppliers of iron and steel twisted bars in 1967 were India, the USSR, China and Belgium:

Sources of Supply of twisted iron & steel bars

(Value in '000 US$)
(Quantity in tonnes)

Countries	1965		1966		1967	
	Value	Qty.	Value	Qty.	Value	Qty.
India	666	7,196	639	6,831	4,127	46,027
USSR	663	7,052	1,042	11,628	2,687	30,161
China	2,007	20,831	2,092	22,243	1,767	18,755
Belgium	1,329	13,074	2,434	25,846	1,494	15,600
W.Germany	1,342	13,400	95	878	703	5,630
Poland	303	2,983	468	5,110	691	7,540
Other countries	1,446	13,473	1,840	18,629	642	5,530
TOTAL	7,756	78,009	8,610	91,165	12,111	129,243

Source: Yearly Bulletin of Foreign Trade Statistics, The Planning Board, State of Kuwait.

1/ At present Jeddah is not connected by motorable road with eastern Saudi Arabia.

It is clear from the table above that since 1965 there are changes in sources of imports of twisted bars, China occupied first place in 1965 followed by West Germany, Belgium, India, the USSR and Poland . There were also a number of other countries such as Luxemburg, Italy, Hungary, Rumania and France which supplied sizeable quantities. In 1967, first place was occupied by India followed by the USSR, China, Belgium, Poland and West Germany. These six countries together supplied about $ 11.5 million out of a total of about $ 12.1 million. In terms of tonnage, they accounted for about 95.7 per cent.

Imports from India were as low as 7,196 tonnes (valued at about $ 0.67 million) in 1965 and they increased to 46,027 tonnes (valued at about $ 4.13 million) in 1967. In terms of value and quantity they registered increases of about 520 per cent and about 540 per cent respectively. Importers state that India dominates the market for twisted iron and steel bars. The main factor responsible was lower prices coupled with prompt deliveries through 'chartered ships'.

Principal competitors in the market are the USSR and China. European countries, due to closure of the Suez Canal, are nowhere near Indian prices or those offered by Communist countries. Since Kuwait is a free country with nominal customs duties, price determines supremacy in the market when quality variations are negligible.

Principal sources of supply for other types of iron and steel bars (flat, square shaped, angled and beams) in 1967 were Belgium, the USSR, the U.K., Italy, China and the USA. Of total quantity of iron and steel bars (all types) imported, share of these four types of bars together was about 17.7 per cent in 1967 compared to about 15.6 per cent in 1965. India did not supply flat bars or square shaped bars to Kuwait in 1967 while in respect of angled bars and beams its share was insignificant.

Other important item in the category of iron and stee products is sheets (uncoated and galvanized). Shares of sheets in total imports of iron & steel products in 1965, 1966 and 1967 were about 9 per cent, 10 per cent and 11 per cent respectively. A part of imports is also re-exported. Apparent consumption of sheets according to published statistics is worked out as under:

	1966	1966	1967
A. I & S Uncoated sheets			
Quantity imported (in tonnes)	6,714	31,130	13,453
Quantity re-exported(")	474	41	434
Apparent consumption(")	6,240	31,079	13,019
B. I & S Galvanised sheets			
Quantity imported (in tonnes)	7,176	8,222	14,879
Quantity exported (")	21	21	434
Apparent consumption(")	7,155	8,201	14,785

As in the case of tubes, pipes and bars, bulk of consumption of sheets is related mainly to construction activity. Their use for utensil making, it is understood, is not much. In 1966, a good portion of sheets imported was utilised for making sheds in industrial estates. It is expected that imports will amount to about 35,000 tonnes of sheets (both uncoated and galvanized) in 1974-75. Importers feel proportion of galvanized sheets to uncoated sheets would be 2:1 by 1974-75.

Principal suppliers of uncoated sheets to Kuwait in terms of value in 1967 were the U.K., the USSR, Japan and France. These four countries together supplied about $ 1.56 million worth of uncoated sheets out of a total import of about $ 2.2 million. Other suppliers were West Germany, Belgium, the USA and Italy. India did not supply uncoated sheets till 1966. In 1967, it supplied about 115 tonnes of uncoated sheets valued at about $ 12,000. Thus its share of India was negligible.

Principal suppliers of galvanized sheets to Kuwait were Belgium and West Germany followed by Japan, France, China, Poland and Formosa. Belgium and West Germany together supplied galvanized sheets worth about $ 1.25 million in 1967 out of a total of about $ 2.5 million. India entered the market only in 1967 when it supplied about 24 tonnes out of the total of about 15,000 tonnes.

Imports of iron and steel products into Kuwait, in terms of value and quantity, in 1967 from India along with total imports from all countries are summaries below:

India's share in imports of iron & steel products in 1967

(Value in '000 $)
(Quantity in tonnes)

Items	Total Imports		India's share		India's percentage share	
	Value	Qty.	Value	Qty.	Value	Qty.
Bars, twisted	12,111	123,243	4,127	46,027	34.08	35.61
Bars, flat	1,092	9,251	-	-	-	-
Bars, square shaped	651	5,214	-	-	-	-
Bars, angled	2,006	9,461	53	246	2.64	2.60
Beams	518	3,959	2	12	0.38	0.30
Sheets uncoated	2,223	13,453	12	115	0.54	0.85
Galvanized sheets	2,525	14,879	4	24	0.16	0.16
Wire	263	1,083	2	5	0.76	0.46
Tubes, pipes & fittings	17,725	67,450	743	5,254	4.19	7.79

contd...

Items	Total Imports		India's share		India's percentage share	
	Value	Qty.	Value	Qty.	Value	Qty.
Finished structural parts & structures	22	77	neg.	neg.	neg.	neg.
Doors & windows	388	613	-	-	-	-
Tanks	828	1,923	72	297	8.70	15.44
Wire cables & ropes (not insulated)	169	301	24	70	14.20	23.25
Guaze,netting, grill,fencing, etc.	365	1,275	2	6	0.55	0.47
Nails,screws, nuts,rivets	756	2,389	10	30	1.32	1.26
Domestic utensils	633	1,006	106	152	16.75	15.11
Locksmith wares	1,722	1,331	26	35	1.51	2.63
TOTAL	43,997	262,908	5,183	52,273	11.78	19.88

In 1967 in iron & steel products India's share in terms of value was 11.8 per cent while in terms of quantity it was about 19.9 per cent. Its lower share in value is partly due to lower prices and partly due to concentration in less expensive items such as twisted bars.

Trade in Kuwait is in the hands of wholesalers/ importers, and commission agents play a vital part. They normally charge 2 to 3 per cent as their commission from exporters. C & f prices quoted by exporters include commission to commission agents. There is keen competition

among Indian exporters particularly the case of tubes, pipes and fittings. This has resulted in price cutting and spoiling the market. Often supplies are not sent at reduced prices. Importers keep on waiting and sending reminders with no avail and thus business is lost to India. Next time importers hesitate to deal with Indian firms. In the vital interest of export promotion, Indian exporters should not indulge in such nefarious activities.

Prices of iron and steel products fluctuate from time to time depending on exporters. Importers, therefore, are very cautious in finalising deals. Prevailing C & F prices in Kuwait during April - May 1969 for different items were as under:

Item	Country of origin	C&F price (including commission in U.S.$ per tonne)
1. I & S twisted bars	India	100 to 105
	USSR	100 to 108
	China	100 to 105
	Belgium	105 to 110
	Poland	101 to 105
	W.Germany	118 to 120
2. I&S bars, flat	Belgium	145 to 150
	USSR	105 to 109
	Italy	130 to 138

1	2	3
3. I&S bars, [illegible] twisted	Belgium	155 to 160
	China	135 to 140
4. I&S bars, angled	U.K.	370 to 375
	USA	380 to 382
	India	230 to 240
5. I & S Beams	Japan	130 to 135
	U.K.	160 to 170
	USSR	105 to 110
6. I & S sheets uncoated	U.K.	245 to 265
	USSR	130 to 135
	Japan	120 to 135
	W.Germany	250 to 260
	Poland	110 to 115
7. I & S Sheets, galvanized	Belgium	190 to 200
	W.Germany	185 to 190
	China	180 to 190
	Japan	205 to 210
	France	185 to 190
8. I & S Wire	China	190 to 200
	W.Germany	350 to 360
9. I & S Pipes & tubes	Czechoslavakia	215 to 218
	Argentina	225 to 230
	USSR	135 to 150
	U.K.	245 to 260
	China	140 to 160
	India	150 to 165
	USA	210 to 215

C&F prices of Indian twisted bars are quite competitive. China, it was told, sticks to Indian prices invariably. Prices of goods from European countries are higher than Indian. Similar is the case for angled bars. Prices of Chinese pipes and tubes are the lowest. Importers

state that price range is of not much signifiance since there are variations in quality. Quality of different makes vary widely and hence prices. Preferences exercised by end users also affect prices. On the whole, the market is quite competitive and it is stated that variations in prices of different makes are due to differences in quality.

To sum up, in future demand for iron and steel products in Kuwait is expected to decline. Kuwait has more or less reached a saturation point in regard to construction of houses and buildings. Further, it is expected that utensils, water storage tanks, etc., would be locally manufactured in due course. Even though proportion of iron and steel products to total imports is expected to decline in near future, in absolute terms, their imports are expected to increase by about 50 per cent by 1974-75.

India can increase its share only if deliveries are made in time. India can also supply quality goods at reasonable prices, if cut-throat competition among its exporters is avoided. There are no plans to set up local production and hence the entire demand will have to be met by imports. It could be of great help if exporters form a sort of consortium and joint efforts are made to increase shipments.

Cotton Textiles

Kuwait does not have any textile mill and there are no plans for setting up units in near future. The entire demand for textiles is met by imports. In textiles, a number of items are imported. Imports of principal items of cotton textiles during the period 1965 to 1967 are given in the table below:

Imports of Cotton Textiles in Kuwait

(Value in '000 $)
(Quantity in tonnes)

	1965		1966		1967	
Items	Value	Qty.	Value	Qty.	Value	Qty.
Fabrics woven	5,444.6	2,256	6,695.4	2,644	6,957.2	2,800
Bags and sacks	60.5	257	554.4	1,190	523.6	1,113
Tarpaulins	90.4	112	243.6	387	194.6	217
Tents	64.4	66	152.3	152	238.6	159
Blankets, travelling rugs & coverlets	2,585.5	1,605	2,449.2	1,536	3,644.8	2,432
Linen sheets	1,669.4	776	1,891.1	815	2,154.0	946
Towels of all kind	411.0	200	448.3	235	492.8	271
Curtain materials	184.5	58	434.3	115	705.0	228
Carpets & rugs (except Persian carpets)	2,093.8	1,183	3,239.0	1,873	4,176.8	2,282
TOTAL	12,604.1	6,513	16,107.6	8,947	19,087.4	10,448

Source: Yearly Bulletin of Foreign Trade Statistics, The Planning Board, State of Kuwait.

Proportion of cotton textiles in total imports of all commodities was in terms of value around 3.3 per cent. In other words, increase in imports of cotton textile corresponds with increase in total imports. Imports of cotton textiles increased from $ 12.6 million in 1965 to $ 19.1 million in 1967 a rise of about 50 per cent. Taking into consideration the increase in population, high standard of living and likely increase in re-exports, it is estimated that imports of cotton textiles will reach about $ 30 million by 1974-75.

Main items of cotton textiles imported in 1967 were woven fabrics, carpets and rugs, blankets, travelling rugs and coverlets, and linen sheets. These four items together accounted for $ 16.9 million out of a total of $ 19.1 million or about 89 per cent. Individual shares of these items were woven cotton fabrics 36.6 per cent, carpets and rugs (excluding Persian carpets) 22.0 per cent, blankets, travelling rugs and coverlets 18.8 and linen sheets 11.5 per cent.

Imports of woven cotton fabrics increased by about 28 per cent from $ 5.55 million in 1965 to about $ 6.96 million in 1967 while carpets and rugs (excluding Persian carpets), blankets, travelling rugs and coverlets, and linen sheets increased by 99.4%, 40.9% and 29.1%

respectively. Imports of all other items increased in 1967 but in aggregate their combined total was much less than the aggregate total of four items mentioned earlier.

Part of imports is re-exported to neighbouring countries. Re-exports during the period 1965 to 1967 are given in the table below:

Re-exports of Cotton Textiles from Kuwait

(Value in 000' US$)
(Quantity in tonnes)

Items	1965		1966		1967	
	Value	Qty.	Value	Qty.	Value	Qty.
Cotton fabrics, woven	313.0	438	740.3	586	385.8	354
Bags and sacks	3.4	45	5.0	59	7.0	64
Tarpaulins	7.6	8	1.7	2	1.4	1
Tents	31.6	27	30.0	22	61.6	43
Blankets, travelling rugs & coverlets	56.3	83	119.0	154	220.4	217
Linen sheets	44.8	86	48.4	63	50.1	54
Towels	5.9	15	13.2	12	9.8	10
Curtain materials	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.
Carpets & rugs (excluding Persian carpets)	102.5	100	81.8	148	119.3	169
TOTAL	565.1	802	1,039.4	1,046	855.4	912

Source: Yearly Bulletin of Foreign Trade Statistics, The Planning Board, State of Kuwait.

It is evident that about 5 per cent of cotton textiles imported are re-exported. But re-exports share varies from item to item. In woven cotton fabrics re-exports were about 5.5 per cent, carpets and rugs about 2.8 per cent, blankets, travelling rugs and coverlets 6.1 per cent and linen sheets was 2.3 per cent. In tents re-exports were the highest accounting for $ 61,000 out of imports of $ 238,600 or for 25.8 per cent.

Imports of woven cotton fabrics are likely to increase at a rate of 7 to 10 per cent per annum in near future since information gathered from importers during field visit reveals that by 1974-75, they would be between $ 13 million and $ 14 million. There will be changes in main sources of imports in near future since quality goods only will be in demand. Main suppliers of woven cotton fabrics in 1965, 1966 and 1967 are given in the table below:

Sources of Supply of Woven Cotton Fabrics to Kuwait

(Value in 000' $)

Country	1965 Value	1965 Percent to total	1966 Value	1966 Percent to total	1967 Value	1967 Percent to total
Japan	3,249	59.67	4,203	62.78	4,430	63.68
India	764	14.03	620	9.26	529	7.60
China	164	3.01	284	4.24	341	4.90
W.Germany	136	2.50	161	2.40	162	2.33
Hungary	124	2.28	153	2.29	155	2.23
U.S.A.	45	0.83	121	1.81	151	2.17
U.K.	126	2.31	143	2.14	144	2.07
Czechoslovakia	54	0.99	56	0.84	111	1.60
Other countries	783	14.38	954	14.24	934	13.42
TOTAL	5,445	100.00	6,695	100.00	6,957	100.0

Source: Yearly Bulletin of Foreign Trade Statistics, The Planning Board, State of Kuwait.

The above table indicates that Japan was the biggest supplier of woven cotton fabrics to Kuwait. Its share in total imports increased from 59.7 per cent in 1965 to 63.7 per cent in 1967. In terms of value, it increased by 36 per cent.

India held second position but its share fell from 14.0 per cent to 7.6 per cent.

With the exception of India, all countries improved their exports in 1967 compared with 1965. Main reasons for decline in India's share as suggested by traders were as under:

i. Quality of Indian goods was considered inferior to those from other countries especially Japan.

ii. Indian manufacturers supply the same types of goods as were supplied in the past whereas due to increase in incomes, the consumers' preference has shifted to fine textures. India could not adapt to changes in preference.

iii. Indian exporters prefer to supply goods in bulk but as market is limited and small, supplies in bulk are not required.

iv. Indian manufacturers do not have novel designs of their own but copy those of other countries. By the time they are in a position to supply designs, the market is already stocked with goods from other countries.

v. Delay in shipments and part-shipments from India are resented very much by importers. Market being free and competitive, importers believe in quick turn-over rather than wait for arrival of goods from a particular country.

vi. Woven cotton fabrics are mainly used in preparation of ankle length shirts for men ("Dizdasha" - an Arab national dress). The width of the cloth plays an important part. It is understood that only a few mills in India which export to Kuwait, are equipped for producing cloth of desired width. Moreover, the finish of textile is poor.

vii. Packing of textiles is not up to the mark. So often bundles are loosely packed and goods get damaged. Once damaged, they cannot be sold remuneratively resulting in loss.

viii. Indian exporters do not match shipments with samples. This is very much resented by importers.

ix. Supplies from India before beginning of summer season are extremely meagre. It is in beginning months of summer importers build stocks in Kuwait. Indian exporters hesitate to book orders at the beginning of the year since budget proposals of Government of India are presented at the end of February.

Carpets, carpeting and rugs excluding Persian carpets constitute another important item imported. Demand for this item has been rising in recent years. Due to extreme hot climate, floor coverings are used. They are also used as bed spreads. Oriental designs with fast colours are preferred. Principal sources of supply are given in the table below:

Sources of Supply of Carpeting and Rugs to Kuwait

(Value in 000' US$)

Country	1965		1966		1967	
	Value	Percent to total	Value	Percent to total	Value	Percent to total
UK	544	25.98	946	29.21	1,060	25.38
Belgium	493	23.54	619	19.11	896	21.45
India	312	14.90	496	15.31	706	16.90
Italy	267	12.75	484	14.94	556	13.31
China	105	5.01	161	4.97	147	3.52
Other countries	373	17.82	533	16.46	812	19.44
TOTAL	2,094	100.00	3,239	100.00	4,177	100.00

SOURCE: Yearly Bulletin of Foreign Trade Statistics, State of Kuwait.

The above table shows that principal suppliers were the U.K., Belgium, India and Italy. These countries together accounted for about 77 per cent of total imports. Individual shares of these countries have not changed.

Supplies from India increased from $ 0.31 million in 1965 to about $ 0.71 million in 1967 or by about 129 per cent, as against 99 per cent increase in total imports.

It is stated that quality of Indian carpets is not as good as those from U.K. but they are preferred by middle income group. Traders feel that India can increase further its exports if quality and fastness of colours are maintained. Some Indian exporters supplied sub-standard goods which damaged India's image. On the whole the India's performance has been good but it can be definitely improved upon.

Blankets, travelling rugs and coverlets are also in good demand. Italy was the main supplier followed by Hungary and Japan. It's share in 1967 was about 75 per cent as against of Hungary's share of 9 per cent and Japan's share of 4 per cent. India's share was less than 2 per cent. Demand for high quality goods is met by European countries whereas communist countries supply cheaper varieties. India can increase its exports with competitive prices if designs and colour schemes preferred by consumers are kept in mind. As market is small, Indian exporters do not show much interest.

Imports of curtain materials from India were negligible in 1965 whereas they amounted to $ 31,400 in 1967. In 1966 there were no imports from India Demand for curtain materials is increasing. Consumers prefer dark gaudy colours with unusual designs. Colours must be fast and should not fade away in glaring sunlight. Curtain materials from European countries, especially West Germany, are in good demand. Indian exporters can increase their sales considerably if efforts are made in right direction. Indian curtain materials with novel designs are liked by consumers but it is said they are costly.

In other items, such as bags and sacks of textile materials, tents, and tarpaulin, India has achieved a monopoly in this market. India's share in 1967 in bags and sacks of textile materials was 65 per cent, tents 70 per cent, and tarpaulin 79 per cent. These three items together form a small proportion in total imports of cotton textiles these in 1967 being 5 per cent.

There are no restrictions on imports and customs duty at 4 per cent ad valorem is quite low. The market is competitive and numerous varieties are available to suit various classes of consumers. Consumer preference is for better quality even if it is priced higher.

India meets with competition not only from established quality goods exporters but also from Communist countries which supply goods at very low prices. These goods must be competitive in quality and price.

Cotton yarn and thread

Kuwait does not grow raw cotton and does not have spinning mills. The entire demand for cotton yarn and thread is met by imports. A part of imports is re-exported. Imports and re-exports of cotton yarn and thread during the period 1965 to 1967 are given below:

	1965	1966	1967
Quantity imported (in tonnes)	147	179	201
Quantity re-exported (in tonnes)	14	46	26
Re-exports as a percentage of imports	9.5	25.7	12.9
Apparent consumption (in tonnes)	133	133	175
Value of imports (in 000 $)	357.6	386.1	416.1
Value of re-exports (in 000 $)	19.0	53.8	31.1

Imports increased from 147 tonnes valued at about $ 0.36 million in 1965 to 201 tonnes valued at about $ 0.42 million in 1967. Increase in quantity was about 37 per cent while in value it was about 15 per cent.

This means that the import prices in 1967 were lower than in 1965.

Apparent consumption in 1965 and 1966 was 133 tonnes. In 1967, the traders built considerable stocks with the hope that re-exports would go up but on the contrary, in 1967 they were about half of those in 1966. Re-exports in 1965, 1966 and 1967 were about 9.5%, 25.7% and 12.9% of imports respectively. It is understood that local demand for yarn and thread in Kuwait (excluding re-exports) in 1968-69 was about 150 tonnes. Re-exports are directed mainly to Saudi Arabia, Iraq and Gulf countries. To Iran they were negligible.

Cotton yarn and thread were imported from a number of countries. Important among them are indicated in the table below:

SOURCE OF IMPORTS OF COTTON YARN AND THREAD

(Value in '000 $)
(Quantity in tonnes)

	1965		1966		1967	
Country	Value	Qty.	Value	Qty.	Value	Qty.
U.K.	94.1	22	101.9	19	90.2	16
Japan	26.3	15	34.7	20	79.8	58
West Germany	32.2	11	26.0	6	45.4	16
India	44.2	35	45.9	31	44.0	38
Italy	22.1	7	23.0	5	23.8	6
Denmark	6.4	3	3.9	2	17.1	7
Other countries	13.23	54	150.7	96	115.8	60
Total	357.6	147	386.1	179	416.1	201

Source: Yearly Bulletin of Foreign Trade Statistics, The Planning Board, State of Kuwait.

It is seen from the above table that the U.K. always occupied first place in terms of value. In 1965 India came next but in quantity it was first. In 1967, India ranked second in quantity and fourth in value. While imports from India declined from $ 44200 in 1965 to $ 44,000 in 1967 imports from Japan increased three-fold. Imports from West Germany rose up by about 42 per cent.

For yarn and thread, there is a limited market which is mainly used in stitching clothes and tents. It is the view of importers that there will not be much increase in imports even by 1974-75. Apparent consumption would be around 160 tonnes and imports would be around 200 tonnes in 1974-75 (same as in 1967).

There are no import restrictions and custom duty levied is 4 per cent ad valorem. Cotton yarn gathered is supplied in beautiful packings. White bleached threads are in greater demand than coloured ones.

India can increase its share if quality and packing are improved. Since the market is limited, extensive measures for export promotion are not needed.

Clothing and accessories

Kuwaitis wear Arab national dress. For men, Arab national dress is ankle length shirt (called 'Dizdasha'), woollen camel hair robe (called 'Aba') and headgear (known as 'Katra'). Expatriates from Iran and other Arab countries wear also this type of dress. 'Dizdasha' in most cases is made of white plain cloth whereas the head-dress is of white as well as coloured/designed/ stripped cloth. Edges of head-dress are hemmed with embroidery. Ladies have taken to the European mode of dressing although some old ladies still wear their long, loose Arab dress. Females in Kuwait (barring foreigners) observe 'Purdah' outside their homes. (Head to ankle black robe - made of silk or synthetic fabric - is used for 'Purdah'. The face is covered with a black veil).

Foreigners residing in Kuwait wear European style dress; ladies from India and Pakistan wear 'Saris.

Summers are hot and humi and, therefore, coloured cotton clothes are not preferred; instead white dress is worn. In winter light-weight woollen clothes of dark colours are preferred.

Kuwait does not produce clothes and accessories although a few tailoring shops exist. Tailoring charges are extremely high. Apart from getting Arab national dress - "Dizdasha" - stitched, other requirements are obtained from countries abroad.

Imports and re-exports of clothing and accessories during the period 1965 to 1967 are given below:

	1965	1966	1967
Value of imports (in million $)	17.58	21.27	26.71
Value of re-export (in million $)	0.43	0.50	0.55
Quantity imported (in tonnes)	3,729	3,892	4,551
Quantity re-exported (in tonnes)	319	249	339

In value imports of clothing and accessories increased by about 52 per cent in 1967 compared with 1965 and formed 4.5 per cent of imports of all commodities taken together.

Part of imports are re-exported to neighbouring countries. Published figures indicate that about 2 per cent of imports was re-exported in 1967. According to information given by traders, a sizeable quantity is taken out of Kuwait by tourists as well as by businessmen who frequently visit Kuwait. Thus, re-exports from Kuwait are under-valued.

Since there are no plans to establish clothing industry in Kuwait, the entire demand will be met by imports. On the basis of trade enquiries, it is estimated that Kuwait would import clothing and accessories worth about $ 35 to $ 40 million by 1974-75. These estimates are guess work of traders, since much depends on economic policies followed by neighbouring countries and the extent of tourist traffic.

Sources of imports of clothing and accessories in 1965, 1966 and 1967 are given in the table below:

MAIN SOURCES OF IMPORTS FOR CLOTHES AND ACCESSORIES

(Value in '000 US$)

Country	1965		1966		1967	
	Value	Percent to total	Value	Percent to total	Value	Percent to total
Hong Kong	2,516	14.3	4,214	19.8	5,340	20.0
Lebanon	1,632	9.3	2,110	9.9	2,870	10.7
U.S.A.	2,543	14.5	2,699	12.7	2,735	10.2
Italy	1,974	11.2	2,405	11.3	2,727	10.2
U.K.	1,612	9.2	1,929	9.1	2,678	10.0
France	1,036	5.9	1,281	6.0	2,008	8.5
Japan	1,948	11.1	1,420	6.7	1,807	6.8
W.Germany	788	4.5	1,192	5.6	1,377	5.2
China	571	3.2	744	3.5	1,209	4.5
Syria	1,041	5.9	1,004	4.7	1,145	4.3
Spain	204	1.2	318	1.5	325	1.2
Belgium	185	1.1	337	1.6	325	1.2
India	169	1.0	196	0.9	186	0.7
Other countries	1,364	7.6	1,421	6.7	1,979	7.5
Total	17,583	100.0	21,270	100.0	26,711	100.0

Source: Yearly Bulletin of Foreign Trade Statistics, The Planning Board, State of Kuwait.

It is clear from the above table that in 1967, Hong Kong accounted for about one-fifth of total imports of clothing and accessories. Importers state that Hong Kong supplies mainly shirts for men which are mainly of mixed cotton and polyster. The cheapest shirts available in Kuwait are from Hong Kong and they are imitation of Japanese goods in design, colour and sizes. Shirts from Hong Kong have brand names which are mostly copied. Hong Kong shirts are also known as "duplicate" of some famous brands.

Clothing and accessories from the USA, Italy, the U.K., France and Japan have established 'brand names' and are mainly for men's wear. The USA, Italy and France also supply under-garments. These countries have popularised their brands and so often the country of origin is not mentioned in making sales. In other words, the brands are quite well known to consumers.

Imports from Lebanon mostly consist of pants, half-pants and shirts for men and scarves for women.

China has now entered the market and its products are becoming quite popular especially its silk shirts. Garments for all occasions and of types, texture and colour are supplied by China.

Imports from India comprised mainly under-garments. It was said that quality of Indian shirts and pants are inferior while the prices are higher. India's share increased from $ 169,000 in 1965 to $ 186,000 in 1967 but as a proportion of total imports of clothing and accessories it is negligible.

It is recommended that since there is a huge market in Kuwait, Indian exporters study the market and take steps to increase their exports in coming years. Exporters from countries like China, Hong Kong, the USA, the U.K., France and West Germany have sole-agents who undertake sales promotion. Indian exporters may also take similar steps. Attractive packing is very essential to tempt consumers to buy. The main draw-backs of Indian products, as revealed by traders, are high prices and poor finish and packing. Also there is a general complaint that shipments from India are never in time and often part-shipments are received. These in any case must be avoided.

There are no restrictions on imports of clothing and accessories but they are subject to a uniform customs duty of 4 per cent ad valorem.

It was very difficult to collect prices of all types of items imported into Kuwait. C & F prices for a few representative items are given below:

Items and Specifications	C & F prices in dollar per dozen
1. Dress shirts; (soft collar, one chest pocket, 65% polyster fibre 35% cotton, long sleaves, sizes 14 to 16½)	14.40 to 14.90
2. Dress shirts; short sleeves, sizes 14 to 16½	12.60 to 13.50
3. Dress shirts; 80% polyster fibre and 20% cotton long sleeves	21.00 to 22.00
4. Dress shirts; 100% cotton, stiff collars (Prices depend on quality of poplin used, finish and brand name)	13.00 to 29.00
5. Sport shirts: Soft collar, two chest pockets, short sleeves, 65% tetron and 35% cotton in three sizes; small, medium, large	16.40 to 17.40
6. Paijamas: gents, poplin size 46 to 54 (night suits)	16.20 to 17.40
7. Paijamas: boys, poplin size 6 to 16	12.00 to 14.40
8. Paijamas: mixed fabrics, gents size 46 to 54	15.00 to 16.00
9. Paijamas: flannel, gents size 46 to 54	12.00 to 12.50
10. Paijamas: flannel, boys size 6 to 16	10.20 to 10.50

contd....

Items and Specifications	C&F prices in US dollar per dozen
11. Trousers: Polyster mixed gents	13.00 to 13.50
12. Trousers: Polyster mixed, boys	9.85 to 10.60
13. Trousers: tereyline gents and boys	14.00 to 15.00
14. Children wear: girls, frocks, lightly embroidered, lace trimming 16 to 22 sizes	4.00 to 5.00
15. Children wear: boys suits, embroidered with animal figures, etc. 16 to 22 sizes	4.20 to 5.40
16. Ladies underwear: Panties	1.10 to 1.80

Dress shirts and sports-shirts are individually packed in polythene bags and six such pieces are then packed in a cardboard carton. Expensive shirts and sports-shirts of well known brands such as ARROW, VAN, HEUSEN, TOOTAL, RAEL-BROCK, MANHATTEN, FRUIT OF THE LOOM ETC. are packed singly in polythene bags and cardboard carton and packing also includes one hanger and a pair of studs for sleeves. Paijamas and trousers are packed in cartons with six pairs each whereas ladies night dresses are singly packed in cartons. Attractive packing is becoming quite popular in Kuwait.

Insulated Cables and Wires

Kuwait does not produce insulated cables and wires and the entire demand is met by imports. A small portion of imports is re-exported. Imports for the period 1965 to 1967 are given below:

	1965	1966	1967
Value of imports (in million $)	4.750	5.541	11.247
Value of re-exports (-do-)	0.008	0.004	0.010
Quantity Imported(in tonnes)	6,001	6,073	12,385
Quantity re-exported(in tonnes)	12	4	32
Apparent Consumption(-do-)	5,989	6,069	12,353

It will be noted that imports of insulated wires and cables in value increased by about 137 per cent in 1967 compared with 1965. Although rate of growth in construction activity is anticipated to decline in near future, expenditure on electricity generation and distribution is expected to double during the Plan period. Imports of insulated cables and wires are expected to reach $ 30 million by 1974-75.

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Main suppliers of insulated cables and wires to Kuwait during the period 1965 to 1967 are given in the table below:

Source of Supply of Insulated Cables & Wires

(Value in '000 $)
(Quantity in tonnes)

	1965		1966		1967	
Country	Value	Qty.	Value	Qty.	Value	Qty.
W.Germany	487	714	601	595	4,858	5,440
U.K.	1,679	1,613	1,562	1,509	2,424	2,684
Japan	66	64	94	136	1,556	1,545
Pakistan	-	-	576	560	907	878
Yugoslavia	1,161	1,829	1,196	1,419	628	871
Czechoslovakia	3	3	260	321	376	464
Holland	207	268	19	17	200	210
USA	49	23	34	23	113	49
Belgium	178	103	216	445	42	45
India	67	103	216	445	42	45
Other countries	853	1,125	910	938	62	77
TOTAL	4,750	6,001	5,541	6,073	11,247	12,385

Since 1962 many countries tried to export insulated cables and wires to Kuwait. Foreign contracting companies in initial stages of power development played an important role by importing from their own countries, but later prices and quality became determining factors. In 1967,

the first position was occupied by West Germany with a share of 43 per cent. Other important suppliers were the U.K. and Japan. Pakistan entered the market in 1966 and occupied fourth place amongst suppliers. Yugoslavia which was holding second position in 1965 came down to fifth position.

India's share was poor. The Imports from India increased to $ 216,000 in 1966 from $ 67,000 in 1965 but declined heavily in 1967 when they were as low as $ 42,000. According to importers, negligence on the part of Indian exporters was the main cause. They did not realise that Kuwait is a potential market. Moreover, they could neither deliver goods in time nor maintain quality. Part-shipments from India were highly resented. As stated earlier, Kuwaitis are rich and can afford to purchase expensive goods. The outward appearance and smoothness of cables and wires in attractive packing determines sales. Copper insulated cables and wires find a ready market while aluminium insulated cables and wires are not in much demand, although it is known that in performance there is hardly any difference between copper and aluminium insulated cables and wires. In India copper is a scarce commodity and mass production is of aluminium insulated wires. Prices of imported copper in

India vary from time to time and supplies are influenced by import restrictions. As a result Indian exporters could not enter into contracts with Kuwait importers of cables and wires. Since it is a lucrative market and demand for insulated cables and wires is quite sizeable bottlenecks at Indian end must be overcome to capture it.

There are no restrictions on imports of cables and wires but they are subject to 4 per cent ad valorem customs duty. Preference is for three "pinpoints" (one for positive current, second for negative and the third for earth). Thus three wires insulated with black, white and green colour are again coated in either white or black. India is producing such a type of insulated cables and wires.

Finish and packing are also important factors. Preferred colours are black and white.

Prices differ widely according to quality. Thickness of cables and wires also affect prices. It was, therefore, difficult to ascertain exact price levels. It is suggested that a market survey for insulated cables and wires be conducted to determine scope for Indian cables and wires.

Cement

Due to vast construction activity in Kuwait in the past few years, imports of portland cement have been very heavy. A small portion of imports is also re-exported but bulk is locally consumed. Imports of ordinary cement (portland) in 1965, 1966 and 1967 are given below:

	1965	1966	1967
Quantity imported(in '000 tonnes)	495.0	673.6	1,011.0
Quantity exported(-do-)	1.5	2.2	0.7
Apparent consumption -do-)	493.5	671.4	1,010.3
Value of imported cement (in million US$)	7.93	10.94	16.75

Imports of ordinary cement formed 2.8 per cent of overall imports in 1967 whereas its proportion in 1965 was about 2.1 per cent. They approximately doubled in 1967 compared to 1965. It is felt that as construction activity in Kuwait has reached a saturation point in 1969 imports in near future will not increase at high rates. Reliable sources indicate that imports of cement in 1974-75 would not be more than $ 30 million.

There are changes in sources of supply in ordinary cement. Imports from some established suppliers were reduced and they increased from many other countries.

Principal suppliers during the period 1965 to 1967 are given below:

Sources of imports of ordinary cement

(Value in '000 US$)
(Quantity in '000 tonnes)

Country of origin	1965		1966		1967	
	Value	Qty.	Value	Qty.	Value	Qty.
Iraq	2,228	129	1,165	68	6,052	328
USSR	1,843	124	3,615	226	2,790	180
China	73	5	157	10	2,568	171
Japan	1,863	115	2,122	125	1,788	103
Yugoslavia	-	-	-	-	794	49
Iran	1,122	68	1,048	64	708	43
Pakistan	-	-	-	-	597	40
Rumania	293	20	2,373	152	588	39
UAR	137	9	-	-	518	34
Lebanon	-	-	-	-	161	10
Formosa	209	15	-	-	141	neg.
India	-	-	-	-	neg.	neg.
Other countries	162	10	459	29	47	4
TOTAL	7,930	489	10,939	674	16,752	1,011

Source: Yearly Bulletin of Foreign Trade Statistics, The Planning Board, State of Kuwait.

Iraq was the biggest supplier in 1967 followed by the USSR, China and Japan. These four countries together supplied cement worth about $ 13.2 million out of total of $ 16.7 million. India did not supply cement till 1966 but in 1967, a negligible quantity was supplied. It appears India could not take advantage of huge demand for cement till 1967. In 1968, India supplied a sizeable quantity to Kuwait but the statistics are not available.

Importers feel that cement from India costs more than from the USSR and China. Since shipping facilities between India and Kuwait are inadequate for carrying cement, importers prefer those sources which could supply required quantities in time.

Cement is packed in strong paper bags and not in jute bags. Some bulk supplies are also obtained in silos.

Importation of cement is handled by a few importers and commission agents. Normal commission charges vary from 2% to 3% ad valorem. Since there are no restrictions on imports of cement, it can be imported from any country. Arab countries do enjoy preferential treatment as they are closer to Kuwait than other countries. Some foreign contracting companies in Kuwait prefer cement from their native country and influence sources of supply indirectly. It is now recognized that quality of Indian cement is as good as that of other countries. In the past, it was the belief of construction companies (and hence importers) that Indian cement was inferior. It is expected that in coming years, India's position could be second or third.

Prevailing C & F prices of cement during April-May 1969 in Kuwait were as under:

Originating country	C&F price in $ per tonne
Japan	18.9
India	17.7
Pakistan	17.7
China	14.6
Iraq	20.4
Iran	19.5
USSR	16.9

Importers were interested in cement from Iraq and Iran even though C&F prices were the highest. Cement from Iraq and Iran is imported through trucks (by road) and reaches site without incurring any additional expenses. Cost of cement at site becomes cheaper from Iraq and Iran compared to that imported by ships, since port charges and transportation expenses from port to site are to be added to C&F price at Kuwait port. Moreover, deliveries can be obtained much quicker in desired quantities from Iraq and Iran.

Importers said that India can improve its performance provided prices of cement are lowered and delivered schedules maintained. Packing of cement is poor and much damage is caused in transit.

Auto Spare Parts

With tremendous increase in incomes in Kuwait over last decade, demand for auto vehicles went up. Kuwait, with a small land area of about 16,000 square kilometres,

has a network of motorable roads within and also with neighbouring countries. This has further resulted in increased demand for auto vehicles plying between Kuwait and neighbouring countries.

All types of auto vehicles and parts are imported. Principal suppliers are the U.S.A., Japan, the U.K., Italy, West Germany and France.

Increase in auto vehicles in Kuwait from 1965 to 1967 is given in the table below:

Registered auto vehicles in Kuwait

(In Numbers)

Type	1965	1966	1967
1. Private cars	7,132	11,235	19,014
2. Taxis	1,709	1,571	2,637
3. Private vans & lorries	1,702	2,239	2,893
4. Public vans and lorries	577	1,286	2,100
5. Private buses	62	137	96
6. Public buses	174	122	136
TOTAL	11,356	16,590	26,876

Number of auto vehicles excluding motor cycles and scooters increased by 137 per cent in 1967 compared with 1965. Consequently, imports of spare-parts increased. Imports of auto-spare-parts during the period 1965 to 1967 are given below:

	1965	1966	1967
Value of imports (in million dollars)	6.157	8.224	10.735
Value of re-exports (in million dollars)	0.309	0.229	0.173
Quantity imported (in tonnes)	2,391	3,358	4,254
Quantity re-exported (in tonnes)	225	167	103

In value imports increased by about 74 per cent in 1967 compared with 1965. A small portion of imports is re-exported. It is revealed by dealers that apart from re-exports, a considerable quantity of spare parts find its way to neighbouring countries though vehicles plying between Kuwait and those countries and as such it does not enter export statistics.

It will be noted that, whereas number of registered auto vehicles increased by about 137 per cent in 1967 over 1965, corresponding increase in value of spare parts was -about 74 per cent. Smaller increase in auto spare parts was due to preference for owning latest models of auto vehicles by Kuwaitis. One rarely finds auto vehicles which are more than 4 to 5 years old. Used vehicles are exported to neighbouring countries and expatriates sometimes use old vehicles. The richer section of population believes in quick change of old vehicles by new models. Luxurious expensive cars are preferred to utility cars and prestige and comfort are guiding factors. Since most of auto vehicles are not older than 4 to 5 years, they do not require change of parts due to less wear and tear. But when the

vehicle is sold, the purchaser prefers to change worn out parts with new parts (preferably from the manufacturer of the auto vehicle). A portion of spare parts is needed for sudden breakdowns. Repairing charges are very heavy and replacement is preferred to repairing broken or damaged parts. Thus, it is assumed that with increase of auto vehicles, the demand for auto spare parts will also increase but at a lower rate. On the basis of past records it may be said that if number of vehicles increase by 100 per cent, increase in imports of spare parts would be about 50 to 60 per cent.

Importers of auto spare parts disclose that demand for private cars has more or less stabilized. Most of demand is for latest models as replacement for old cars. Demand for buses and lorries will increase at a higher rate in future. On the whole, it is the view of importers that demand for auto-spare by 1974-75 would be between $ 25 million and $ 30 million.

Principal sources of supply of auto spare parts to Kuwait are given in the table below:

Sources of supply of auto spare parts in Kuwait

(Value in 000' $)

Country	1965		1966		1967	
	Value	Percent to total	Value	Percent to total	Value	Percent to total
U.S.A.	3,083	50.07	4,073	49.53	5,464	50.90
West Germany	1,381	22.43	1,597	19.42	2,218	20.66
U.K.	651	10.57	818	9.95	940	8.76
Japan	565	9.18	825	10.03	892	8.31
Italy	176	2.86	262	3.19	314	2.93
France	94	1.53	177	2.15	285	2.65
Sweden	43	0.70	150	1.82	114	1.34
USSR	6	0.10	38	0.46	94	0.88
India	30	0.49	32	0.39	58	0.54
Other countries	120	2.07	252	3.06	326	3.03
TOTAL	6,157	100.00	8,224	100.00	10,735	100.00

Source: Yearly Bulletin of Foreign Trade Statistics, The Planning Board, State of Kuwait.

It is seen from the above table that in 1967 the USA and West Germany together accounted for 71 per cent of total imports of auto spare parts. They were followed by the U.K., Japan, Italy and France, which together accounted for 23 per cent. Thus, these six countries with a share of about 94 per cent have captured almost entire market and these are the main countries which supply auto vehicles. In other words, consumer prefers spare parts from original makers of vehicles and these are termed as 'original parts'. Parts of other suppliers of similar quality at cheaper prices are not preferred. Most of the parts are not

inter-changeable and the few, which can be inter-changed, are supplied by numerous countries. Quality, finish and price determine sales.

India supplied about $ 58,000 worth of spare parts to Kuwait in 1967 as against $ 30,000 in 1965. It increased its exports in terms of value by about 93 per cent, yet it represents about half per cent of total imports.

Dealers of spare parts feel that India can increase its exports considerably provided its exporters pay due attention to the market. Consumers are not aware of an auto industry in India. Finish and packing were very poor in the past. Indian exporters, it is reported, have improved packing but prices are higher than those of other countries, notably Communist countries. Sales drive and propaganda by Indian exporters is extremely poor and the local dealer has no incentive to undertake such activities on his own. Exports from India are mainly handled by Indian businessmen, who in turn depend on Indian technicians undertaking repair and maintenance jobs in Kuwait.

There are no restrictions on imports of spare parts although they are subject to 4 per cent ad valorem customs duty.

The commodity range is very vast and also price variation. Thus, it is difficult to collect ruling c&f prices. It would be in the interest of India if auto engineers study the market and take steps to provide repair and maintenance facilities at a reasonable cost in Kuwait.

Items of export interest to Kuwait

As regards the possibility of importing products from Kuwait into India is concerned, crude petroleum is the only major product of interest to India.

Chapter 7

JOINT VENTURES AND SERVICE CONTRACTS

The economy of Kuwait mainly depends on oil and its products and is, thus, vulnerable to fluctuations in its prices. Moreover, to obtain better prices for oil, Iran, its neighbour, is forcing the oil consortiums to reduce oil production. If production is reduced, it will adversely affect Kuwait's economy. In other words, changes in production or prices affect oil producing countries by making their economies volatile. The Government of Kuwait is interested in a stable economy and, therefore, the stress is on diversification of its resources.

Natural resources of Kuwait, apart from oil, are extremely limited and the market is very small. These factors coupled with lack of technical man-power and expensive unskilled labour are deterrents to establishment of any viable large-scale industry. However, the Government of Kuwait, to diversify economic activities, has promulgated the Industrial Law (Decree No.6 of 1965) for creating an environment for industrial development.

Establishment of industries in Kuwait is dependent upon outlets, that is, on exports of the finished products, since local market is small and limited. For this reason

Kuwait will have to create goodwill in export markets for its goods. Setting up of export-oriented industries would call for joint ventures. Technical skill and know-how could be provided by the collaborating country whereas capital will be made available by Kuwait. To build up goodwill for joint venture products manufactured in Kuwait, the collaborator may have to lift a sizeable quantity produced. The Industrial Affairs Department in the Ministry of Commerce and Industry is interested in setting up joint ventures in Kuwait provided collaborators agree to above mentioned conditions. For setting up joint ventures, the Government would provide encouragement by way of exempting their imports from customs duties, securing industrial plots and provision of cheap power and adequate supply of water.

The Department of Industrial Affairs has conducted a number of feasibility studies in Kuwait to serve as guidelines for industrialists for setting up small-scale units. A list of existing industries along with their potential capacity is given below:

Kind of Industry	Potential capacity per annum
1. Stone cutting	1000 tonnes
2. Manufacture of sweets & sugar confectionery	120 kgs. per day
3. Manufacture of electric cables	3000 tonnes
4. Manufacture of sensitive paper for printing engineering maps	200,000 sq. metres
5. Manufacture of synthetic sponage	100 tonnes
6. Manufacture of plastic shoes and sandals	150,000 pairs
7. Manufacture of paper bags	10,000 tonnes
8. Manufacture of nylon bags	1,200 tonnes
9. Manufacture of fish oil	215 tonnes
10. Manufacture of fish powder	675 tonnes
11. Manufacture of plastic containers for milk and dairy products	7 to 9 million containers
12. Manufacture of oil and water paints	1,200 tonnes
13. Manufacture of nails, screws and light tools	500 tonnes
14. Manufacture of tissue paper & toilet paper	50,000 boxes
15. Manufacture of tin cans	548,000
16. Manufacture of footwear from leather and rubber	50,000 pair
17. Manufacture of tobacco	30 tonnes
18. Manufacture of spring mattresses	30,000 tonnes

The Industrial Affairs Department requests foreign consulting firms to carry out feasibility studies, and their findings are made available to the private sector without any charge.

According to reliable sources, technicians from India are in good demand. Indian firms migh consider collaboration with Kuwaiti counterparts in setting up industries relating to food processing, electrical goods and other light engineering goods. As far as market outlets are concerned, neighbouring countries in the Gulf are fast developing and would absorb a major share of production.

In large-scale sector, the Kuwait Government is interested in setting up a petro-chemical complex, mechanical fishing and processing, a steel rolling mill, an aluminium plant and a match factory. The Government is willing to consider setting up any other capital intensive industry even if raw materials are entirely to be imported.

Apart from setting up joint ventures, Kuwaitis are also interested in setting up industries abroad. Kuwait Foreign Trading, Contracting and Investment Company (KFTCIC) was formed as an instrument for

investments abroad under the Amiri decree in 1965. This Company, with its authorised capital $ 56 million and paid up capital of $ 28 million, has as its primary objective participation in, and development of existing and setting up new enterprises throughout the world. The scope covers a wide range from productive activities of a basic nature to service industries. Participation by KFTCIC may take form of investments in medium and long term loans, capital stock, preferred shares and debentures. Investments by KFTCIC normally do not exceed 25 per cent of total capital in industries in which investment is made. The idea is not to control the industry but to earn interest or dividend. KFTCIC is a private company and its investment would be available only to the private sector. Prospective clients should present their project to KFTCIC management in the prescribed manner. Preliminary information must consist following elements:

1. Purpose for which finance is required and amount involved.
2. Brief historical background alongwith biographical data on management personnel.
3. In a newly formed company, indicate also sources, form and cost of capital and the percentage of total requirements.
4. Describe products to be manufactured or produced, actual or projected production, costs and selling prices.

5. Sources of raw materials.

6. Synopsis of market survey.

7. Number of employees actual or planned.

8. State whether product contemplated solely for domestic market, for export or for both? If for both, in what proportion?

9. What are expected foreign exchange savings or earnings, if any? Consider costs of fuel and other imported components in this conjunction.

10. What is existing or expected competition?

11. Existing companies should present copies of annual statements and reports of auditors for last 5 years.

12. In annex form, supply technical reports, market surveys, or other material.

Applications for KFTCIC financial participation may be addressed to "Kuwait Foreign Trading, Contracting and Investment Company, Badir Almulla Building, Al-Mutanbi Street, P.O. Box 5665, Kuwait"..

Indian firms, who are desirous of getting financial accommodation from KFTCIC can apply directly to KFTCIC. Since there is no restriction on foreign exchange expenditure in Kuwait, the foreign exchange component in manufacturing process in India can be obtained from Kuwait.

So far KFTCIC has invested about $ 28.5 million in different types of projects throughout the world. The geographical disbursements of investments have been mainly confined to European countries. The management of KFTCIC is willing to consider requests from Indian manufacturers. It is understood that so far no applications has been received from India. KFTCIC has participated in Pakistan for setting up a paper mill in Dacca. Interest charged was 8.5 per cent per annum. (The rate of interest varies from country to country as well as from industry to industry depending upon risks involved).

TABLES AND APPENDICES

Table 1

IMPORTS INTO KUWAIT BY MAIN COMMODITIES[1/]
in 1965, 1966 AND 1967

(In '000 dollars)

S.No.	Division/Commodity	1965	1966	1967
1	2	3	4	5
0.	FOOD AND LIVE ANIMALS			
1.	Sheep, lambs and goats	6,674	7,606	7,276
2.	Poultry, killed, fresh, chilled or frozen.	1,416	1,643	2,692
3.	Fresh, chilled or frozen meat	1,922	2,190	2,243
4.	Liquid milk, canned	1,302	1,178	1,518
5.	Milk powdered	2,328	2,446	3,233
6.	Cheese	1,456	1,829	2,490
7.	Eggs	1,474	1,325	3,385
8.	Wheat	2,230	2,778	5,647
9.	Rice	8,494	9,291	4,027
10.	Barley	893	1,341	2,263
11.	Biscuits & pastry	861	1,150	1,314
12.	Oranges & tangarines	1,060	1,657	2,178
13.	Apples	576	1,070	1,540
14.	Edible nuts & coconuts	709	964	1,192
15.	Melons & water melons	649	1,137	1,428
16.	Fruit juices & vegetable juices	917	1,037	1,581
17.	Tomatoes, fresh	427	652	1,402
18.	Fresh vegetables	2,125	1,648	2,593
19.	Vegetables, canned	1,226	1,001	1,462
20.	Sugar and sugar cubes	14,686	3,505	1,957
21.	Sweets	1,826	1,708	2,129
22.	Tea	2,974	4,940	3,526
23.	Cardamom	1,907	2,793	3,439
24.	Margarine & shortening	1,862	2,746	2,385
	Others	18,449	16,535	18,517
	Total section; Food and live animals	78,443	74,170	81,417

(contd...)

1/ Commodities whose import value exceeded 400,000 K.D. in 1967

I.	BEVERAGES AND TOBACCO			
1.	Lemonade and soft drinks	1,373	1,175	1,486
2.	Cigarettes	15,896	16,653	17,286
	Others	648	465	522
	Total section; Beverages & tobacco.	17,922	18,294	19,294
II.	CRUDE MATERIALS, INEDIBLE, EXCEPT FUEL			
1.	Wood-shaped or simply worked	3,246	5,685	7,929
	Others	5,371	5,035	5,559
	Total section; Crude materials, inedible, except fuels	8,617	10,720	13,488
III.	MINERAL FUELS, LUBRICANTS AND RELATED MATERIALS			
1.	Machine oils	2,218	3,350	4,029
	Others	315	627	951
	Total section; Mineral fuels, lubricants and related materials	2,533	3,977	4,980
IV	ANIMAL & VEGETABLE OILS, FATS			
	Total section	1,078	1,109	1,971

contd....

1	2	3	4	5
V.	CHEMICALS			
1.	Prepared paints, enamels and varnishes	1,866	2,498	3,053
2.	Medical and pharmaceutical products	2,926	3,596	4,637
3.	Perfumes	890	980	1,367
4.	Cosmetics	1,119	1,315	1,596
5.	Surface-acting agents & washing preparations	988	1,212	1,405
	Others	5,444	9,272	11,271
	Total section; Chemicals	13,233	18,873	23,329
VI.	MANUFACTURED GOODS CLASSIFIED CHIEFLY BY MATERIALS			
1.	Rubber tyres & tubes - motor, air plane.	4,538	6,539	5,976
2.	Plywood	810	1,277	1,619
3.	Printing & writing paper, in rolls or sheets	1,480	1,155	1,378
4.	Cotton fabrics, woven	5,445	6,695	6,957
5.	Woollen fabrics, woven	4,457	5,553	7,323
6.	Synthetic silk fabrics, woven	5,701	6,543	6,444
7.	Blankets, travelling rugs and coverlets	2,585	2,449	3,645
8.	Linen sheets	1,669	1,891	2,154
9.	Persian carpets	2,495	2,411	2,842
10.	Other carpets, carpeting & rugs	2,094	3,239	4,177
11.	Ordinary cement	7,930	10,939	16,752
12.	White, coloured and watered cement	482	1,259	1,167
13.	Drilling clay and cement	1,116	1,987	1,905
14.	Terrazzo tiles	480	420	1,271
15.	Iron & steel bars, twisted	7,756	8,610	12,111
16.	Iron & steel angled bars, n.e.s.	2,196	1,867	2,006
17.	Iron & steel sheets, uncoated	1,007	4,493	2,223
18.	Galvanized sheets	1,238	1,375	2,525

contd....

1	2	3	4	5
19.	Iron & steel tubes, pipes & fittings	6,510	8,834	17,726
20.	Aluminium sheets, bars and pipes	405	718	1,949
21.	Hand tools	804	1,693	1,563
22.	Locksmiths wares	1,033	1,548	1,722
	Others	20,005	26,015	29,997
	Total Section, Manufactured goods classified chiefly by material	81,804	107,510	136,431
VII.	MACHINERY AND TRANSPORT EQUIPMENT			
1.	Oil well drilling machinery	6,800	11,018	9,256
2.	Graders, levellers etc.	1,804	3,207	2,542
3.	Air-conditioning units	2,722	5,189	8,278
4.	Central air conditioning machinery	1,838	1,314	3,181
5.	Pumps	723	1,682	3,656
6.	Lifting machines	1,081	3,385	2,502
7.	Domestic appliances, non-electric, water fileters etc.	884	1,029	1,199
8.	Power tools	1,138	1,529	2,219
9.	Water distillation machinery and equipment	1,982	727	5,984
10.	Oil refinery, machinery & equipment	3,886	2,658	29,791
11.	Parts & accessories of machinery	6,852	9,194	11,559
12.	Passenger Motor cars	21,757	30,570	33,978
13.	Buses	1,629	1,250	1,676
14.	Lorries & trucks	6,606	14,153	16,508
15.	Special purpose lorries, trucks, vans	199	1,118	1,134
16.	Car spare parts	6,157	8,224	10,736
17.	Air craft spare parts	2,452	5,327	4,906
18.	Ships and boats	751	1,341	2,728
19.	Barges, buoys and other marine appliances	95	124	2,315
20.	Electric motors	124	119	1,807

contd....

1	2	3	4	5
21.	Electric transformers	19	1,179	1,401
22.	Power plant machinery & equipment	.5,110	365	2,883
23.	Electric apparatus for making, breaking or protecting electric circuits	9,705	7,708	12,469
24.	Insulated wires and cables	4,751	5,541	11,247
25.	Television sets	2,013	4,085	2,983
26.	Radios	991	1,013	1,355
27.	Transistorized radios	3,686	2,684	5,946
28.	Radio phonographs	764	829	1,531
29.	Telecommunications equipment and accessories	5,159	3,740	5,742
30.	Domestic refrigerators	2,168	2,981	3,135
31.	Electric fans	676	822	1,567
32.	Electric boilers	354	492	1,583
33.	Electric lamps	422	522	1,011
	Others	15,766	27,776	20,807
	Total section; Machinery and transport equipment	121,866	162,895	229,615
VIII.	MISCELLANEOUS MANUFACTURED ARTICLES			
1.	Sanitary and plumbing fixtures and fittings	2,959	3,822	5,199
2.	Furniture	3,950	5,438	6,559
3.	Travel goods, hand bags, and similar articles	1,278	2,075	2,135
4.	Mens scarves and yashmags	1,142	1,453	1,215
5.	Clothing and accessories	17,583	21,270	26,711
6.	Footwear	4,422	5,634	5,493
7.	Port and airport controlling instruments and surveying, drawing, lab. etc. instruments	571	762	1,954
8.	Watches, clocks and parts	4,751	6,446	7,233
9.	Tape Recorders and parts	1,351	1,705	2,106
10.	Printed matter, including books and stamps	939	1,275	1,654
11.	Toys, indoor games and fairground amusements	809	1,036	1,328
12.	Fountain Pens	956	1,390	1,502

1	2	3	4	5
13.	Jewellery	3,090	3,065	6,384
	Others	7,846	9,835	13,188
	Total section; Miscellaneous Manufactured Articles	51,647	65,206	82,661
IX.	COMMODITIES & TRANSACTIONS NOT CLASSIFIED ACCORDING TO KIND			
	Total section	14	35	114
GRAND TOTAL		377,157	462,789	593,300

Source: Yearly Bulletin of Foreign Trade Statistics, The Planning Board, State of Kuwait.

Table 2

1/
India's exports to Kuwait

(value in '000)

Commodity	1967-68		1968-69	
	Rs.	$	Rs.	$
1	2	3	4	5
Rice excluding parboiled	1,194	159.2	3,393	452.3
Gram split	Nil	Nil	127	16.9
Lentils	Nil	Nil	1,232	164.2
Moong	Nil	Nil	80	10.7
Bananas, fresh	1,004	133.8	3,161	421.4
Cashew kernel, whole	476	63.4	953	127.0
Mangoes	996	132.8	1,516	202.1
Tamarind, dried	15	2.0	187	24.9
Mango juice	2,767	368.8	1,330	177.3
Garlic	20	2.7	75	10.0
Onions	1,494	199.2	1,729	230.5
Fresh vegetables	411	54.8	386	51.4
Mango chutney, pickles, etc., without sugar	42	5.6	136	18.1
Coffee Arabica plantation	374	49.9	133	17.7
Arabica Cherry	98	13.1	262	34.9
Tea black leaf, in bulk	141	18.8	391	52.1
Tea black dust, in bulk	56	7.5	111	14.8
Tea black, in packet upto 20 kgs	1,011	134.8	1,802	240.2
Chillies	152	20.3	90	12.0
Black pepper	106	14.1	132	17.6
Cardamoms	26,239	3,497.7	28,068	3,741.5

(contd....)

1/ Commodities individual value of which exceeds $ 10,000 in 1968-69.

1	2	3	4	5
Ginger	189	24.5	238	31.7
Turmeric	747	99.6	1,428	190.4
Solvent extracted groundnut oilcakes	230	30.7	236	31.5
Hookah tobacco	290	38.7	367	48.9
Groundnut kernels	78	10.4	133	17.7
Teak	259	34.5	156	20.8
Henna leanes & powder	9	1.2	82	10.9
Hydrogenated oil & fats	45	6.0	94	12.5
Chlorine	324	43.2	236	31.5
Hydrochloric acid	41	5.5	938	125.0
Sulphuric acid	24	3.2	106	14.1
Bandages NES	224	29.9	166	22.1
Hair oil	220	29.3	219	29.2
Perfumes not containing spirit	73	9.7	95	12.7
Tyre cases for trucks & buses	246	32.8	84	11.2
Tyre cases for other vehicles	Nil	Nil	120	16.0
Decorative plywood	Nil	Nil	379	50.5
Hardboard, of wood fibre	Nil	Nil	498	66.4
Exercise book & drawing copy books	24	3.2	81	10.8
Cotton yarn grey	60	8.0	141	18.8
Mill rayon satin	36	4.8	153	20.4
Velvet	46	6.1	238	31.7
Goat hair putties	1,487	198.3	2,647	352.9
Coir cordage ropes	203	27.1	131	17.5
Coir mats & mattings	176	23.5	256	34.1
Handloom cotton piece goods excluding yarn, thread and clothing	82	10.9	118	15.7
	3,664	488.5	4,571	609.5

contd...

1	2	3	4	5
Millmade cotton piece goods excluding yarn, thread & clothing	3,664	488.5	4,571	609.5
Newar	145	19.3	170	22.7
Cotton cordage, cable rope twine etc.	46	6.1	128	17.1
Tarpaulin tents	2,552	340.3	3,145	419.3
Bedsheets, handloom, handprint	16	2.1	98	13.1
Bedsheets, millmade	80	10.7	289	38.5
Towels, millmade	118	15.7	190	25.3
Durries, handloom	3,066	408.8	5,704	760.5
Hessian cloth	207	27.6	150	20.0
Jute hessian bags	73	9.7	741	98.8
Jute sacking bags	78	10.4	381	50.8
plastic coated or paper-cum-polythine lined bags and sacks	2,880	384.0	1,232	164.3
Other coated or impregnated jute-bags & sacks	29	3.9	1,642	218.9
Tarpauline jute	2	0.3	349	46.5
Cement Potland Grey	Nil	Nil	3,260	434.7
Asbestos Cement sheets	203	27.1	236	31.5
Glazed ceramic sets etc.	Nil	Nil	155	20.7
Glass bottles & phials	339	45.2	375	50.0
Pearls natural unworked	207	27.6	86	11.5
Diamonds, cut	1,047	139.6	1,837	244.9
Natural precious stonecut	108	14.4	360	48.0
Natural semi precious stones - cut	Nil	Nil	141	18.8
I & S bars, rods, angles, Sections etc.	29,385	3,917.9	23,575	3,143.2

contd...

1	2	3	4	5
I&S soil pipes	250	33.3	118	15.7
I&S Galvanized tubes & pipes	1,045	139.3	3,795	506.0
I&S tubes & pipes - not galvanized	75	10.0	666	88.8
I&S tubes, pipes fittings	107	14.3	233	31.1
Tubes, pipes of aluminium	34	4.5	88	11.7
Structurals I & S	492	65.6	507	67.6
Wire ropes black I & S	137	18.3	288	38.4
Wire ropes galvanized I&S	107	14.3	107	14.3
Oil pressure stoves	118	15.7	169	22.5
Stainless steel utensils	145	19.3	147	19.6
Brass utensils	115	15.3	109	14.5
Aluminium utensils	845	112.7	817	108.9
Padlocks & locks, keys etc.	50	6.7	180	24.0
Doors & window fittings	20	2.7	86	11.5
I & S safes etc.	231	30.8	401	53.5
I & S chains	Nil	Nil	118	15.7
I & S welding electrodes coated or cored with flux	Nil	Nil	113	15.1
Drain covers I & S	797	106.3	2,974	396.5
Trunks suitcases I & S	1,773	236.4	1,550	206.7
Sewing machines with stand	115	15.3	114	15.2
Sewing machines without stand	41	5.5	115	15.3
Watercoolers	146	19.5	329	43.9
Parts & accessories = refrigerators	19	2.5	77	10.3
Weighing machines	17	2.3	90	12.0
Transformers	Nil	Nil	2,383	317.7
Switch fuse units	61	8.1	452	60.3
Switch boards	14	1.9	145	19.3
Switch gears	54	7.2	540	72.0

contd...

1	2	3	4	5
Parts & accessories of switch gear	75	10.0	1,241	165.5
Insulated copper wiring and strips	46	6.1	708	994.4
Plastic insulated wires	15	2.0	1,991	265.5
Other insulated cables	1,029	137.2	4,175	556.7
Lead alloy sheathed cables	Nil	Nil	1,572	209.6
Paper insulated cables	1,250	166.7	24,693	3,292.3
Plastic insulated cables	89	11.9	447	59.6
Other insulated cables	3	0.4	189	25.2
Electric insulating fitting except porcelain	Nil	Nil	76	10.1
Ceiling fans (electric)	4,750	633.3	6,909	921.2
Regulator & parts of electric fans	178	23.7	155	20.7
Domestic water heaters	29	3.9	584	77.9
Accumulators	101	13.5	115	15.3
Flourescent tube lamps	24	3.2	86	11.5
Motor vehicles parts	215	28.7	508	67.7
Boats	Nil	Nil	90	12.0
Steel furniture office	66	8.8	137	18.3
Chairs I &S	286	38.1	350	46.7
Trousers cotton for men & boys	75	10.0	159	21.2
Outer cotton garments -men	99	13.2	211	28.1
Cotton chadar & odhani white bleached	66	8.8	125	16.7
Wool sweaters & cardigans	282	37.6	214	28.6
Wool outer garments	10	1.3	79	10.5
Leather footwear	1,058	141.1	1,197	159.6
Rubber soled, upper leather footwear	13	1.7	221	29.5
Medical dental & surgical instruments	12	1.6	333	44.4
Gramophone records	217	28.9	182	24.3
Plastic goods	131	17.5	335	44.7

contd...

1	2	3	4	5
Artware of copper, brass, bronze etc.	197	26.3	231	30.8
Platinum jewellery	1,861	248.1	1,228	163.7
Silve jewellery	336	44.8	133	17.7
Manufactures of gold NES	Neg.	Neg.	349	46.5
Silver manufactures NES	96	12.8	202	26.9
Postal packages	94	12.5	251	33.5
Others	11,078	1,476.1	11,966	1,595.7
GRAND TOTAL	116,538	15,538.0	181,593	24,211.8

Source: Monthly Statistics of the Foreign Trade of India, Vol. I, Department of Commercial Intelligence and Statistics, Government of India.

ESTIMATE OF POTENTIAL OF INDIA'S EXPORTS

('000 $)

Commodity	ACTUAL EXPORTS 1967-68	ACTUAL EXPORTS 1968-69	Potential for 1974
1. Textiles (Non-jute)	1,733	2,303	4,000
2. Jute textiles	448	612	700
3. Tea	161	306	2,600
4. Spices	3,689	4,102	5,000
5. Rice	159	451	5,000
6. Fish and Fish products	46	9	
7. Iron ore			
8. Iron & Steel products	4,218	3,875	9,500
9. Electrical Machinery and appliances	1,106	6,297	7,500
10. Non-Electrical Machinery	94	74	100
11. Machine tools	3	5	20
12. Diesel engines	2	10	50
13. Railway equipment	-	1	-
14. Motor vehicles & parts	29	68	500
15. Bicycles & parts	6	3	-
16. Rubber tyres and tubes	67	35	-
17. Small tools & hand tools	2	8	10
18. Medicines & pharmaceuticals	47	57	100
Sub total (1-18)	11,810	18,216	35,080
19. Jewellary & Ornaments	471	366	
20. Cement	27	469	
21. Diamonds	199	322	
22. Fruits and Vegetables	340	760	
23. Coffee	63	52	
24. Oilseeds	12	18	
25. Clothings	133	207	
26. Footwear	144	96	
27. Others	2,301	3,646	24,920
Total	15,500	24,152	60,000

Appendix 1

THE SURVEY TEAM

Director-General

Shri S.Bhoothalingam

Project Director

Shri R.S.Sharma

Consultants

Indian

Shri N.J.Kamath
Shri B.N.Khosla

Foreign

Dr.Morton C.Grossman
Mr.William H.Rusch

Economists

Shri S.R.Chawla
Dr.R.G.Gidadhubli
Shri N.R.Gopalakrishnan
Dr.P.C.Jain
Shri K.Kasturi
Shri V.Krishnamurthy
Shri P.K.Krishnaswamy
Shri P.L.Narayana
Shri R.K.Patil
Dr.T.Rameswara Rao
Shri T.R.Sehgal
Shri N.Venkataraman

APPENDIX 8

List of important importers in Kuwait

A. FOODGRAINS SPICES AND TEA

1. M/s. Al Homaizi & Clausen Co.Ltd.,
   P.O.Box 42, Kuwait.

2. M/s. Abdul Rehman Mohd. Al-Bahar,
   P.O. Box 89, Kuwait.

3. M/s. Jassim Mohd. Al-Wazzan,
   P.O.Box 124, Kuwait.

4. M/s. C. Puroshottam, Commercial Area No.9,
   P.O.Box 210, Kuwait.

5. M/s. Khalid Fulaij Al-Fulaij,
   P.O.Box 1143, Kuwait.

6. M/s. A.N.Malhotra & Sons,
   P.O.Box 251, Kuwait.

7. M/s. Samieh Coop. Society,
   P.O.Box 3563, Kuwait.

8. M/s.Star Trading Co.,
   Commercial Area No.3,
   Kuwait.

9. M/s. Crescent Commercial Establishment,
   Commercial Area No.4,
   Kuwait.

10. M/s. Boland & Gharabally & Co.,
    P.O.Box 649, Kuwait.

11. M/s. Mohd. Abdul Awadi & Co.,
    P.O.Box 413, Kuwait.

(Appendix 2 contd...)

12. M/s. Abdul Rahman Omar Al-Asfoor & Sons,
P.O.Box 3005, Kuwait.

13. M/s. Saadan & Jolly Ltd.,
P.O.Box 105, Kuwait.

14. M/s. Ali Hussain Al-Attar,
P.O.Box 2659, Kuwait.

15. M/s. Bader Sultan & Bros. Co.,
P.O.Box 665, Kuwait.

16. M/s. Ahmed Sayed Hashim Al-Gharabally,
P.O.Box 98, Kuwait.

17. M/s. Kuwait Maritime & Mercantile Co.,
P.O.Box 78, Kuwait.

18. M/s. Sulaiman Alsagar Al-Ghanaiman,
P.O.Box 523, Kuwait.

19. M/s. Abdul Hamid Yousuf Al Essa,
P.O.Box 1350, Kuwait.

20. M/s. Haji Abdulla Akbar Ashkanani Est.,
P.O.Box 4698, Kuwait.

21. M/s. W.J.Towell & Co.,
Agencies (Kuwait).,
P.O.Box 75, Kuwait.

22. M/s. Abdul Aziz Ali Mutawa
P.O.Box 104, Kuwait.

23. M/s. Eisa Abdulla Bahman,
P.O.Box 339, Kuwait.

(Appendix 2 contd.....)

B. TEXTILES AND CLOTHING

1. M/s. Ahmad Bahman & Bros.,
P.O.Box 88, Kuwait.

2. M/s. Jashanmal & Sons,
P.O.Box 99, Kuwait.

3. M/s. Bader and Abdullah,
P.O.Box 1007, Kuwait.

4. M/s. Al-Othman Trading Co.,
P.O.Box 520, Kuwait.

5. M/s. Saeed and Daulat,
P.O.Box 547, Kuwait.

6. M/s. Manjula Stores,
P.O.Box 311, Kuwait.

7. M/s. Union Trading Co.,
P.O.Box 28, Kuwait.

8. M/s. Abdul Rahman Al Bisher &
Zaid Al Kazemi,
P.O.Box 47, Kuwait.

9. M/s. Nasser Mohammed Sayer & Partners,
P.O.Box 186, Kuwait.

10. M/s. Mohammad Rafie Benbehani,
P.O.Box 122, Kuwait.

11. M/s.Abdul Majid Al-Gharabally,
P.O.Box 101, Kuwait.

12. M/s. Ali Abdul Wahab Sons & Co.,
P.O.Box 159, Kuwait.

13. M/s. Haider Abdullah Ben Nekhi,
P.O.Box 1626, Kuwait.

(Appendix 2 contd...)

14. M/s. Abdullah Abdul A-iz Al-Omar,
P.O.Box 1630, Kuwait.

15. M/s. Abdul Rahman Al-Rewah &
Fahad Al Hawal,
P.O.Box 658, Kuwait.

16. M/s. Metro Agencies,
P.O.Box 1615, Kuwait.

17. M/s. Al-Mailim Trading Co.,
P.O.Box 239, Kuwait.

18. M/s. W.J.Towell & Co.,
Agencies (Kuwait),
P.O.Box 75, Kuwait.

19. M/s. Jassim Mohammed Mackaki & Sons,
P.O.Box 2284, Kuwait.

20. M/s.Al-Sana Trading Agency,
P.O.Box 627, Kuwait.

21. M/s. Al-Mina Contractor &
Trading Est.,
P.O.Box 7804, Kuwait.

22. M/s. Jawad & Hayder Yakoub Benbahani,
P.O.Box 3083, Kuwait.

23. M/s. Tawfeek Trading Co.,
P.O.Box 2386, Kuwait.

24. M/s. Modern Cloth Exhibition,
P.O.Box 726, Kuwait.

25. M/s. Mohammed Abdul Rehman Al-Awady,
P.O.Box 1356, Kuwait.

26. M/s. Bader Sultan & Bros. Co. Ltd.,
P.O.Box 665, Kuwait.

27. M/s. Paradise Traders,
P.O Box 120,
Kuwait.

(Appendix 2 cont...)

C. ELECTRICAL GOODS

1. M/s. Sayed Hamid Behbehani,
P.O.Box 3065, Kuwait.

2. M/s. Abdul Rehman Sayed Hashim Al-Charabally,
P.O.Box 456, Kuwait.

3. M/s. Sultan Ajeel & Sons,
P.O.Box 44, Kuwait.

4. M/s. Abdullah Contracting & Trading Co.,
P.O.Box 714, Kuwait.

5. M/s. Thuwainy Trading Co.,
P.O.Box 171, Kuwait.

6. M/s. Abdul Aziz Al-Otaibi,
P.O.Box 1015, Kuwait.

7. M/s. Arabian Construction Co.,
P.O.Box 176, Kuwait.

8. M/s. Saleh Jamal & Co.,
P.O.Box 179, Kuwait.

9. M/s. Gajaria & Co.,
P.O.Box 387, Kuwait.

10. M/s. Ibrahim & Abdul Aziz-Al-Janahi,
P.O.Box 1228, Kuwait.

11. M/s. Gulf Agency Co., W.L.L.
P.O.Box 589, Kuwait.

12. M/s. Jashanmal & Sons,
P.O.Box 99, Kuwait.

13. M/s. Sabah Trading &
Contracting Co. Ltd.,
P.O.Box 476, Kuwait.

(Appendix 2 contd...)

14. M/s. Union Trading Co.,
P.O.Box 28, Kuwait.

D. BUILDING MATERIALS

1 M/s. Rezayat Trading Co.,
P.O.Box 106, Kuwait.

2. M/s. Sayed Hamid Behbehani,
P.O.Box 3065, Kuwait.

3. M/s. Al-Rashid Industrial &
Contracting Co.,
P.O.Box 241, Kuwait.

4. M/s. Fozan Trading & Contracting Co.,
P.O.Box 116, Kuwait.

5. M/s. Sahara Mercantile &
Contracting Co. Ltd.,
P.O.Box 89, Kuwait.

6. M/s. Atlas Commercial (Kuwait) Ltd.,
P.O.Box 5609, Kuwait.

7. M/s. Khalid Abdul Latif Al-Hamid,
P.O.Box 185, Kuwait.

8. M/s. Khalid Saleh Al-Ghanim,
P.O.Box 78, Kuwait.

9. M/s. Thunyan Al-Ghanim,
P.O.Box 69, Kuwait.

10. M/s. Abdul Wahab Abdul Aziz Al-Kotami,
P.O.Box 619, Kuwait.

11. M/s. Abdul Samad A.Marafie,
P.O.Box 135, Kuwait.

(Appendix 2 contd..)

12. M/s. Ahmed M.Al-Ghanim & Sons. Ltd.,
P.O.Box 223, Kuwait

13. M/s. Arabi Trading & Import Bureau,
P.O.Box 128, Kuwait.

14. M/s. Contracting & Trading Co.,
P.O.Box 2159, Kuwait.

15. M/s. Lattif Supplies Ltd.,
P.O.Box 67, Kuwait.

16. M/s. Mohamed Hamood Shaya,
P.O.Box 137, Kuwait.

17. M/s.Saleh Mohammed Saleh & Sons.,
P.O.Box 463, Kuwait.

E. IRON & STEEL PRODUCTS

1. M/s. Najah Trading Co.,
P.O.Box 2106, Kuwait.

2. M/s. Amal Trading Co. (Kuwait) Ltd.,
P.O.Box 1868, Kuwait.

3. M/s. International Tank & Pipes,
P.O.Box 9183, Kuwait.

4. M/s. Sahara Mercantile &
Contracting Co. Ltd.,
P.O.Box 89, Kuwait.

5. M/s. Bahman Trading Corporation,
P.O.Box 327, Kuwait.

6. M/s. Abdullah Contracting & Trading Co.,
P.O.Box 714, Kuwait.

(Appendix 2 contd..)

7. M/s. Al-Rashid Industrial&
Contracting Co.,
P.O.Box 241, Kuwait.

8. M/s. Ali-Al-Shawaf & Bros.,
P.O.Box 573, Kuwait.

9. M/s. Sayed Hamid Behbahani,
P.O.Box 3065, Kuwait.

10. M/s. Khalid Saleh Al-Ghanim,
P.O.Box 78, Kuwait.

11. M/s. Abdul Wahab Abdul Aziz Al-Kotami,
P.O.Box 619, Kuwait.

12. M/s. Khalifa Al-Ghanim &
Sayed Hameed,
P.O.Box 200, Kuwait.

13. M/s. Abdul Aziz Al-Bahar & Bros.,
P.O.Box 400, Kuwait.

14. M/s. Fahad Sultan,
P.O.Box 441, Kuwait.

F. AUTO-SPARE PARTS

1. M/s. Abdul Mohsen Abdul Aziz Al-Babtein,
P.O.Box 2198, Kuwait.

2. M/s. Abdullah Ibrahim Al-Matawa,
P.O.Box 1004, Kuwait.

3. M/s. Al-Mansour &
Al-Abdaly Trading & Contracing Co.,
P.O.Box 1207, Kuwait.

4. M/s. Bridgestone Tire Agency,
P.O.Box 807, Kuwait.

(Appendix 2 contd..)

5. M/s. Eagle Trading Co.,
   P.O.Box 2376, Kuwait.

6. M/s. Kuwait Automobile Imports Co.,
   P.O.Box 48, Kuwait.

7. M/s. Mohamed Abdul Latif Al-Mutawa,
   P.O.Box 3768, Kuwait.

8. M/s. German Tire, Co.,
   P.O.Box 374, Kuwait.

9. M/s. Al-Tanak Al-Masri,
   P.O.Box 2465, Kuwait.

10. M/s.Ahmed Mohammed Al-Ghanim & Sons,
    P.O.Box 223, Kuwait.

11. M/s. Saleh Jamal & Co.,
    P.O.Box 179, Kuwait.

12. M/s. Kuwait Construction &
    Trading Co.,
    P.O.Box 2159, Kuwait.

APPENDIX 3

List of important importers contacted in Kuwait during field visit

A. FOODGRAINS, SPICES AND TEA

1. M/s. Eisa Abdulla Bahman,
   P.O.Box 339, Kuwait.

2. M/s. W.J.Towell & Co. Agencies (Kuwait).,
   P.O.Box 75, Kuwait.

3. M/s. Abdul Hamid Yousuf Al-Essa,
   P.O.Box 1350, Kuwait.

4. M/s. Kuwait Maritime & Mercantile Co.,
   P.O.Box 78, Kuwait.

5. M/s. C. Puroshottam,
   Commercial Area No.9,
   P.O.Box 210, Kuwait.

6. M/s. Abdul Rehman Mohammed Al-Bahar,
   P.O.Box 89, Kuwait.

7. M/s. Jassim Mohammed Al-Wazzan,
   P.O.Box 124, Kuwait.

8. M/s. Al-Homaizi & Clausen Co. Ltd.,
   P.O.Box 42, Kuwait.

9. M/s. A.N.Malhotra & Sons,
   P.O.Box 251, Kuwait.

10. M/s. Khalid Fulaij Al-Fulaij,
    P.O.Box 1143, Kuwait,

11. M/s. Star Trading Co.,
    Commercial Area No.3,
    Kuwait.

(Appendix 3 contd..)

12. M/s. Saadan & Jolly Ltd.,
P.O.Box 105, Kuwait.

13. M/s. Boland & Gharabally & Co.,
P.O.Box 649, Kuwait.

14. M/s. Ali Hussain Al-Attar,
P.O.Box 2659, Kuwait.

B. TEXTILES AND CLOTHING

1. M/s. Paradise Traders,
P.O.Box 120, Kuwait.

2. M/s. Ahmad Bahman & Bros.,
P.O.Box 88, Kuwait.

3. M/s. Jashanmal & Sons,
P.O.Box 99, Kuwait.

4. M/s. Bader & Abdullah,
P.O.Box 1007, Kuwait.

5. M/s. Al-Othman Trading Co.,
P.O.Box 520, Kuwait.

6. M/s. Bader Sultan & Bros. Co. Ltd.,
P.O.Box 665, Kuwait.

7. M/s. Tawfeek Trading Co.,
P.O.Box 2386, Kuwait.

8. M/s. Abdullah Abdul Aziz Al-Omar,
P.O.Box 1643, Kuwait.

9. M/s. Metro Agencies,
P.O.Box 1615, Kuwait.

10. M/s. W.J.Towell & Co. Agencies(Kuwait),
P.O.Box 75, Kuwait.

11. M/s. Modern Cloth Exhibition,
P.O.Box 726, Kuwait.

(Appendix 3 contd...)

12. M/s. Al-Sana Trading Agency,
P.O.Box 627, Kuwait.

13. M/s. Jawad & Hayder Yakoub Benbahani,
P.O.Box 3083, Kuwait.

C. ELECTRICAL GOODS

1. M/s. Sayed Hamid Behbehani,
P.O.Box 3065, Kuwait.

2. M/s. Sultan Ajeel & Sons.,
P.O.Box 44, Kuwait.

3. M/s. Thuwainy Trading Co.,
P.O.Box 171, Kuwait.

4. M/s. Gajaria & Co.,
P.O.Box 387, Kuwait.

5 M/s. Gulf Agency Co. WLL,
P.O.Box 589, Kuwait.

6. M/s. Jashanmal & Sons,
P.O.Box 99, Kuwait.

7. M/s. Sabah Trading &
Cohtracting Co. Ltd.,
P.O.Box 476, Kuwait.

8. M/s. Union Trading Co.,
P.O.Box 28, Kuwait.

D. BUILDING MATERIALS

1. M/s. Rezayat Trading Co.,
P.O.Box 106, Kuwait.

2. M/s. Al-Rashid Industrial &
Contracting Co.,
P.O.Box 241, Kuwait.

(Appendix 3 contd...)

3. M/s. Sahara Mercantile &
Contracting Co. Ltd.,
P.O.Box 89, Kuwait.

4. M/s. Atlas Commercial (Kuwait) Ltd.,
P.O.Box 5609, Kuwait.

5. M/s. Arabi Trading &
Import Bureau,
P.O.Box 128, Kuwait.

6. M/s. Lattif Supplies Ltd.,
P.O.Box 67, Kuwait.

7. M/s.Mohammed Hamood Shaya,
P.O.Box 137, Kuwait.

E. IRON & STEEL PRODUCTS

1. M/s. Najah Trading Co.,
P.O.Box 2106, Kuwait.

2. M/s Amal Trading Co. (Kuwait) Ltd.,
P.O.Box 1868, Kuwait.

3. M/s. International Tank & Pipes,
P.O.Box 9183, Kuwait.

4. M/s. Bahman Trading Corporation,
P.O.Box 327, Kuwait.

5. M/s. Ali Al-Shawaf & Bros.,
P.O.Box 573, Kuwait.

6. M/s. Abdul Walaab Abdul Aziz Al-Kotami,
P.O.Box 619, Kuwait.

7. M/s Khalifa Al-Ghanim and Sayed Hameed,
P.O.Box 200, Kuwait.

(Appendix 3 contd...)

8. M/s. Abdul Aziz Al-Bahar & Bros.,
   P.O.Box 400, Kuwait.

9. M/s. Fahad Sultan,
   P.O.Box 441, Kuwait.

F. AUTO SPARE PARTS

1. M/s. Abdul Mohsen Abdul Aziz Al-Babtein,
   P.O.Box 2198, Kuwait.

2. M/s. Abdulla Ibrahim Al-Matawa,
   P.O.Box 1004, Kuwait.

3. M/s. Al-Mansour &
   Al-Abdally Trading & Contracting Co.,
   P.O.Box 1207, Kuwait.

4. M/s. Eagle Trading Co.,
   P.O.Box 2376, Kuwait.

5. M/s. Kuwait Automobile Imports Co.,
   P.O.Box 48, Kuwait.

6. M/s. Al-Tanak Al-Masri,
   P.O.Box 2465, Kuwait.

APPENDIX 4

List of government officials contacted in Kuwait

1. Mr. Khalid A. Al-Khurafi, Under Secretary, Ministry of Commerce & Industry.
2. Mr.Mohamed M.Madouh, Assistant Under Secretary, Ministry of Commerce & Industry.
3. Dr.Youssef Siouffi, U.N.Expert, Ministry of Commerce & Industry.
4. Mr.Haider A.R.Al-Shihabi, Assistant Under Secretary for Finance, Ministry of Finance & Oil.
5. Mr.Mahmoud K.Al-Adasani, Assistant Under Secretary for Oil, Ministry of Finance & Oil.
6. Mr.Sulaiman H.Al-Zeid, Assistant Under Secretary for Customs & Ports, Ministry of Finance.
7. Mr.Sulaiman Al-Mesh'an, Asstt. Under Secretary for Nationality, Passport & Residence Affairs.
8. Mr.Bader S.Al-Abdul Razak, Asstt. Under Secretary, Ministry of Public Works.
9. Mr.Ahmad A.A.Al-Sa'doon, Director of Telegraph and Telephones.
10. Mr.Mohammad A. Al-Rashid, Asstt. Under Secretary for Project Affairs, Ministry of Electricity and Water.
11. Mr.Abdulla D.Al-Rashid, Asstt. Under Secretary for Project Affairs, Ministry of Electricity & Water.
12. Kuwait Institute of Economic & Social Planning in the Middle East.

(Appendix 4 contd...)

13. General Manager, Shuaiba Industrial Development Board.

14. Director General, Planning Board.

15. Director of Statistics Department, Planning Board.

16. Secretary, Kuwait Chamber of Commerce & Industry.

17. Secretary, Petrochemical Industries Company.

18. Manager, Kuwait Foreign Trading, Contracting & Investment Co.

19. General Manager, National Industries Company.

20. Assistant to Managing Director, Kuwait Oil Co. Ltd.,

21. Secretary General, Kuwait National Petroleum Co.

22. Commercial Manager, the National Bank of Kuwait.

23. Commercial Manager, The British Bank of the Middle East.

APPENDIX 5

List of Contractors

CATEGORY I: Contracts above K.D. 1,000,000*

A. Large Construction Works	Agent	P.O.Box **
CONCO (Lebanese)	Abdulla Yusuf Al-Ghanem	509
Grove Shepherd Wilson & Kruge Inco.(Am)	Ahmadiyah Contracting and Trading Co.	446
Hochtief Aktieng Esellschaft	Abdullatif Al-Kazimi	67
Misr Reinforced Concrete Co. UAR	Kuwait Exhibition	4137
Al-Nasr General Contracting Co. (UAR)	Yusuf Al-Sagar & Khalid Trading and Contracting Co.	2391
Penta Ocean Construction Co. Ltd., ex-Masino-Gumi Co. Ltd.	Ahmadiyah Contracting and Trading Co.	446
Taisei Construction Co.Ltd. (Tokyo)	Yacoub Y.Al-Hamad	1857
Technoexportstroy (Bulgarian)	Lina Trading & Contracting Co.	
B.Large Construction, Roads, & Drainage Works		
N.V. Amsterdamsche Ballast Maatchappij (Dutch)	Saud Abdul Muhsin Al-Rashid	242
CAT (Lebanese)	Nusuf Y.Al-Nusf & Mohmad Y.ALNusf	19

contd...)

* K.D. 1 = $ 2.80
** All "Kuwait, Kuwait State".

(appendix 5 contd..)

Compagnie Francise D' Entreprise	General Trading Co.	1079
Energoproject	Mohammed Abdul Muhsin Al-Kharafi	886
George Wimby & Co.Ltd. (British)	Khalifa Al-Ghanim & Syed Hamid	200
Kuwait Engineering Co. (Othman A.Othman)	Marzouk Khaled Al-Ghunaim	860
Pauling & Co. Ltd. (England)	General Trading Co.	1079
Philip Holzman A.G. Germany	Abdulla Abdul Ghaffar Ali Reza	106
Yugoinvest (Yugoslav)	General Trading Co.	1079
Societe Dumez	Al-Hani construct & Trading Est.	3062
C. Buildings		
Ad AST & Co. Enginieure	Marzouk Khaled Al-Ghunaim	860
Egyptian Shareholding Co. (Formerly Al-Abd) (UAR)	Abdulla Salem Al-Ateeqi	679
D. Roads & Drainage Works		
General Egyptian Establishment for Roads & Bridges (UAR)	Kuwait Exhibition	4137
Al-Mansour & Ali Abdalli Trading & Contracting Co.	--	1207
Schafir & Mugglin Ltd(Swiss)	Musaed Al-Saleh & Sons.	1092

(contd...)

(appendix 5 contd...)

E. Mechanical Construction(Refrigeration Air Conditioning, Etc.)

Motherwell Bridge & Engineering Co. Ltd.	Yusuf Mohammed Y. Al-Nusf & Salem Mohammed Y.Al-Nusf.	73

F.Marine & Harbour

Pomgrad (Yugoslav)	Khaled Saleh Al-Ghunaim	308
Royal Netherlands Harbour Works Co.Ltd.	Khaled Saleh Al-Ghunaim	308

CATEGORY II: Contracts exceeding K.D.500,000 but not exceeding K.D. 1,000,000

A. General Construction Works	P.O.Box
Ahmadiyah Contracting & Trading Co.	446
Aziz Construction	579
General Syndicate Trading Co. Ltd.	685
General Trading Co.	1079
Al-Hani Trading & Contracting Est.	3062

(contd...)

(appendix 5 contd...)

	P.O.Box
Hamad Saled Al-Homaizi Est.	315
Abdul Hamid Yusuf Al-Eisa	1350
Al-Jahra Trading & Contracting Est.	399
Al-Khaled Engineering & Construction Co.	5393
Mohammed Abdul Muhsin Al-Kharafi	886
MEDCO	3340
Abdulla Abdullatif Al-Mutawa	195
National Contracting Co. (NCC)	106
Al-Othman Trading & Contracting Co.	520
Saud & Ibrahim Al-Abdul Razzak Trading and Contracting	1511
Abdulla Al-Hamad Al-Sagar & Bros.	244
Yusuf Al-Sagar & Sons Co.	2391
Musaed Al-Saleh & Sons.	1092
Al-Umairi Contracting & Trading Co.	110
B. Construction Works, Roads & Drainage	
Supplies & Building Co.	901
C.Roads and Drainage Works	
BARCO	460
Burhan Kuwaiti Company	1251
General Syndicate Trading Co. Ltd.	635

(contd...)

(appendix 5 contd...)

	P.O.Box
Mohammed Abdul Muhsin Al-Kharafi	886
Rafik Al-Kutub & Co. Ltd.	3168
Al-Roumi Contracting & Trading Co.	1323
Yusuf Al-Sagar & Khaled Trading & Contracting Co.	2391
Musaed Al-Saleh & Sons.	1092

D. Air Conditioning Works & Mechanical Works

Murad Yusuf Behbehani	146
-Badr Al-Mulla and Bros.	177
Abdullah Hamad Al-Sagar and Bros.	244
Abdul Razzak Khaled Al-Zaid and Co.	147

CATEGORY III: Contracts exceeding K.D.250,000 but not exceeding K.D.500,000

A. General Construction Works	P.O.Box
Al-Mansour and Ali Abdalla Trading & Contracting Co.	1207
Naser Fahad S-Al-Alami Trading & Contracting Est.	972
Arabian Contracting & Industrial Co.	2175

(contd...)

(appendix 5 contd..)

	P.O.Box
Al-Ateequ Trading & Engineering & Contracting Ltd.	699
BARCO	460
Dar Al-Binai Engineering & Contracting Ltd.	3971
Building and Construction Co.	415
Burgan Contracting Co.	3336
Construction & Contracting Co.	58
Al-Dabbous Factories Est.	464
Dashti General Buildings Co.	4092
Ali & Hamza Abdul Aziz Al-Humaidi	2360
Dakhil Al-Jassar	145
Rafik Al-Kutub and Co. Ltd.	3168
Kuwaitman Contracting & Trading Co.	2387
Modern Buildings Co.	927
Al-Mujil and Sharif Trading & Contracting Co.	331
Hamad Al-Musaed Construction Est.	3457
Nouri Industries Est.	2829
Ali Hussain Qabazard	201
Al-Rashed Contracting & Industrial Co.	241
Al-Roumi Trading & Contracting Co.	1323
Al-Sabih Engineering & Trading Co. Ltd.	1366
Sagar Engineering Co.	2381
United Gulf Co.	792

(contd...)

(appendix 5 contd...)

	P.O.Box
Al-Alam Factories	1011
Al-Dabbous Factories Establishment	464
Ali Mohammed Thunayan Al-Ghanim	1083
Mohammed Abdul Muhsin Al-Kharafi(Factories)	886
Abdulla Abdullatif Al-Mutawa (Tiger Workshops)	195
C. Roads & Construction Works	
Al-Omar Engineering & Mechanical Co.	392
D. Roads	
Ahliyah Engineering & Contracting Co.	611
National Contracting Co. (NCC)	106
E.Roads & Drainage Works	
Rania Trading & Contracting Co.	5887
Reem Engineering, Trading & Contracting Co.	3280
Ali Sayegh Contracting Co.	627
United Arab Contractors Co.	2313
Works and Buildings Est.	415

(contd...)

(appendix 5 contd....)

	P.O.Box
F. Electrical Works	
Electrical Contracting Co. (Nafeesi and Farouqi)	1568
Kahrab Electrical & Mechanical Contracting Company.	4502
G. Air Conditioning Works	
Modern Air-conditioning & Refrigeration Company.	4867
CATEGORY IV: Contracts not exceeding K.D.250,000	
A.General Construction works	
Sultan Ajeel and Bros.	44
Badr Engineering and Contracting Co.	1467
Burhan Kuwaiti Company	,1251
Al Fahad Trading and Contracting Co.	577
Ahmad and Yusuf Sons of Abdullah Al-Fahad	173
Khalifa Al-Fulaij Construction Est.	3780
General Enterprises & Trading Co.	3337
Ali Mohammed Thunayan Al-Ghanim	1083
Al-Ibreez Trading & Contracting Co.	1295

(contd....)

(appendix 5 contd....)

	P.O.Box
Badr Ahmad Al-Kharafi	1100
Al-Khoneini and Al-Katami Trading & Contracting Co.	593
Kuwait Construction	707
Abdul Rahman Al-Meshaan & Bros.	2309
Al-Mubarakia Contracting Co.	2702
Al-Nahda Trading & Contracting Est.	2923
Rania Trading and Contracting Co.	5887
Al-Raudatain Engineering & Construction Co.	693
B. Iron Works	
Kuwait Construction & Trading Co.	707
Kuwait Factories for Iron Works	1443
C. Roads	
Al-Khaled Engineering & Trading Co.	5393
Al-Kharafi Trading & Contracting Co.	3539
D. Roads & Drainage Works	
Ahmadiyah Trading & Contracting Co.	446
Naser Fahad Said Al-Aiami Trading & Contracting Co.	972

(contd...)

(appendix 5 contd...)

	P.O.Box
Aziz Construction	579
General Trading Company	1079
Abdullatif Mohammed Shahin Al-Ghanim	20
Hamad S.Al-Humaizi Est.	315
Abdul Hamid Yusuf Al-Isa	1350
Al-Kharifi Construction Co.	886
Al-Sabih Engineering & Trading Co. Ltd.	1366
Al-Sagar Engineering Co.	2391
Yusuf Al-Sagar & Sons	2391
Al-Othman Trading & Contracting Co.	520

E. Electrical Works

Al-Amer Electrical Contracting Co. Ltd.	4165
Badr Al-Kharafi Electrical Works	1100
Budiyan Industries Trading & Contracting Co.	4424
Kulaib Trading & Electrical Contracting Co.	645
Musaed Al-Saleh and Sons. (Electrical Works)	1092

F.Air Conditioning & Electrical Works

Construction & Contracting Co.	58

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